

UNITED STATES BANKRUPTCY COURT

DISTRICT OF PUERTO RICO

In Re:) Docket No. 3:17-BK-3283 (LTS)
)
) PROMESA Title III
The Financial Oversight and)
Management Board for)
Puerto Rico,) (Jointly Administered)
)
as representative of)
)
The Commonwealth of)
Puerto Rico, *et al.*,) April 24, 2019
)
Debtors.)

In Re:) Docket No. 3:17-BK-3566 (LTS)
)
) PROMESA Title III
The Financial Oversight and)
Management Board for)
Puerto Rico,) (Jointly Administered)
)
as representative of)
)
Employees Retirement System)
of the Government of the)
Commonwealth of)
Puerto Rico,)
)
Debtor.)

1
2 In Re:) Docket No. 3:17-BK-4780 (LTS)
3)
4) PROMESA Title III
5 The Financial Oversight and)
6 Management Board for)
7 Puerto Rico,) (Jointly Administered)
8)
9 as representative of)
10)
11 Puerto Rico Electric)
12 Power Authority,)
13)
14 Debtor.)

9
10 Employees Retirement) Docket No. 3:17-AP-213 (LTS)
11 System of the Government of)
12 the Commonwealth of)
13 Puerto Rico,)
14) Re: 3:17-BK-3566 (LTS)
15 Plaintiff,)
16 v.)
17)
18 Altair Global Credit)
19 Opportunities Fund (A),)
20 LLC, et al.,)
21)
22 Defendants.)

17
18 OMNIBUS HEARING
19 BEFORE THE HONORABLE U.S. DISTRICT JUDGE LAURA TAYLOR SWAIN
20 UNITED STATES DISTRICT COURT JUDGE
21

22
23
24
25

1 APPEARANCES:

2 For The Commonwealth
3 of Puerto Rico, et al.: Mr. Martin J. Bienenstock, PHV
4 Mr. Brian S. Rosen, PHV
5 Ms. Margaret A. Dale, PHV
6 Mr. Gregg M. Mashberg, Esq.
7 Appearing in New York

8 For the U.S. Trustee
9 Region 21: Ms. Monsita Lecaroz Arribas, AUST

10 For Official Committee
11 of Unsecured Creditors: Mr. Luc A. Despins, PHV
12 Mr. G. Alexander Bongartz, PHV

13 For Puerto Rico Fiscal
14 Agency and Financial
15 Advisory Authority: Mr. Peter Friedman, PHV
16 Ms. Suzanne Uhland, PHV
17 Ms. Diana Perez, PHV

18 For Federal Oversight
19 and Management Board
20 Special Claims
21 Committee: Mr. Edward S. Weisfelner, PHV
22 Ms. Sunni P. Beville, PHV

23 For Ad Hoc Group of
24 General Obligation
25 Bondholders: Mr. Mark T. Stancil, PHV

For Ambac Assurance
Corporation: Ms. Atara Miller, PHV
Mr. Grant R. Mainland, PHV

For The Lawful
Constitutional Debt
Coalition: Mr. Susheel Kirpalani, PHV
Appearing in New York

For Assured Guaranty
Corporation and Assured
Guaranty Municipal
Corporation: Mr. Thomas J. Curtin, PHV

1 APPEARANCES, Continued:

2 For the Official
3 Committee of Retired
4 Employees of the
5 Commonwealth of
6 Puerto Rico:

Mr. Landon Raiford, PHV

7 For the Puerto Rico
8 Funds:

Mr. Jason N. Zakia, PHV

9 For the QTCB Noteholder
10 Group:

Ms. Shannon B. Wolf, PHV

11 For Plaintiffs Ann
12 Catesby Jones and
13 Jorge Valdes
14 Llauger:

Ms. Elizabeth A. Fegan, PHV

15 For Andalusian:

Mr. Bruce Bennett, PHV

16 For National Public
17 Finance Guarantee
18 Corporation:

Mr. Gabriel A. Morgan, PHV
Mr. Robert Berezin, PHV

19 For the Oppenheimer
20 Funds, Inc.:

Mr. Thomas Moers Mayer, PHV

21 For the Fee Examiner:

Ms. Katherine Stadler, PHV

22 For Peter Hein:

Mr. Peter C. Hein, Pro Se

23

24

25

26

27

28

29

30

Proceedings recorded by stenography. Transcript produced by
CAT.

1	I N D E X	
2	WITNESSES:	PAGE
3	None offered.	
4		
5	EXHIBITS:	PAGE
6	None offered.	
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		

San Juan, Puerto Rico

April 24, 2019

At or about 9:41 AM

* * *

THE COURT: Good morning. Welcome, Counsel, parties in interest, and members of the public and press here in San Juan, those observing here and in New York, and the telephonic participants. As always, it is good to be back in Puerto Rico.

I remind you that consistent with court and judicial conference policies and the Orders that have been issued, there is to be no use of any electronic devices in the courtroom to communicate with any person, source, or outside repository of information, nor to record any part of the proceedings. Thus, all electronic devices must be turned off unless you are using a particular device to take notes or to refer to notes or documents that are already on the device.

All audible signals, including vibration features, must be turned off. And no recording or retransmission of the hearing is permitted to any person, including but not limited to the parties, or the press, whether or not you are physically in the courtroom. Anyone who is observed or otherwise found to have been texting, e-mailing or otherwise communicating with a device from the courtroom during the proceeding will be subject to sanctions, including but not

1 limited to confiscation of the device and the denial of future
2 requests to bring devices into the courtroom.

3 I would like to note that the Clerk of Court of the
4 Southern District of New York, Ruby Krajick, has joined us
5 here today, and we are so pleased that she has come to be at
6 today's hearing.

7 Last night the Court received and reviewed the Urgent
8 Motion of AAFAF, PREPA, the Oversight Board and Assured in
9 connection with the PREPA receiver motion seeking a further
10 one week adjournment of various deadlines. I think it
11 expedient to hear any opposition to that motion -- and I
12 assume that if there's going to be opposition, it will be from
13 National -- to hear that today orally after the Fee Examiner's
14 presentation. And for everyone's information, I'll say that
15 the available dates for an adjourned hearing on that motion
16 would be June 13th and 14th in connection with the June Omni,
17 or the following week in New York, because the two dates that
18 were proposed in the Urgent Motion are not available.

19 And so with that, I'll turn to the Oversight Board
20 for the status report.

21 Good morning, Mr. Bienenstock.

22 MR. BIENENSTOCK: Good morning, Judge Swain, and
23 thank you.

24 In connection with the first item, the status report,
25 the Court inquired about the general status and activities of

1 the Oversight Board. There are multiple components to those
2 activities.

3 First, there are ongoing discussions with the
4 government about the formulation and updating of fiscal plans
5 for the Commonwealth, PREPA, HTA, UPR and PRASA taking into
6 account the most up-to-date data available. The Commonwealth
7 fiscal plan certification is expected on May 9, 2019. The
8 Oversight Board also expects to certify the updated fiscal
9 plans for PREPA, HTA, UPR and PRASA in late May or early June
10 of 2019.

11 The budget process is on track, and the Board expects
12 to certify the 2020 budgets for the Commonwealth and
13 instrumentalities before the June 30 fiscal year end of the
14 current fiscal year. The budget process will revert to the
15 Governor on May 10, and to the legislature, two weeks later.

16 Your Honor, among the most critical functions of the
17 Oversight Board is something that doesn't really occur in this
18 Court, but it's critical to the overall mission, and that is
19 the monitoring and moving along of the implementation of the
20 numerous measures in the Certified Fiscal Plan across all
21 government agencies, branches and public corporations. The
22 Oversight Board's personnel, starting with its executive
23 director, spend a lot of time on that monumental task, which
24 is critical to obtaining the benefits of the reforms
25 contemplated in the fiscal plans. So that is ongoing.

1 The third component of the activities of the Board
2 concerns the work with the government on PREPA's
3 transformation, which is proceeding on target. And that is
4 also a critical component of the overall turn around and hope
5 for a sustainable economy.

6 On October 31, 2018, the P3 Authority issued its
7 request or issued really its instructions concerning
8 requirements and procedures for potential investors to
9 ultimately submit proposals. The response deadline was
10 December 5, 2018.

11 On January 17, 2019, the P3 Authority announced
12 selection of four proponents to review and participate in the
13 RFP, Request For Proposal stage. That stage commenced in
14 February, 2019.

15 It is anticipated that proposals pursuant to the RFP
16 will be submitted to the P3 committee in mid July 2019. These
17 proposals will be evaluated by the Board, the P3 Authority and
18 AAFAF, and definitive documentation, including contracts, will
19 be distributed and negotiated. The RFP process will likely
20 culminate in September, 2019. Sign off is required by the
21 Board and AAFAF before going forward with the proposal.

22 It is anticipated that a concession or similar
23 transaction for the privatization of PREPA's transmission and
24 distribution system can be consummated by the second quarter
25 of 2020. In addition, in respect to PREPA, Your Honor,

1 negotiations with the government, the Ad Hoc Group of Insured
2 PREPA Bondholders, and some of its major monoline insurers are
3 all ongoing, and I'm pleased to report, or the Board is
4 pleased to report that the negotiations are very promising at
5 this point. And that has to do with the motion Your Honor
6 said you might hear I guess after the Fee Examiner's report.

7 In addition, moving aside from PREPA, negotiations
8 with the Statutory Retirees Committee and unions about a
9 Commonwealth Plan of Adjustment are proceeding and are also
10 very promising. Your Honor, those negotiations cannot be
11 understated in their importance in the overall turnaround. We
12 could have the best possible debt restructuring and yet fail
13 at our mission if the pension situation and the union
14 situation and contracts are not aligned for their mutual
15 benefit and the benefit of the Commonwealth, so that it can
16 have an establishable, positive economic recovery.

17 Your Honor doesn't see the unions too often in this
18 court, and we're happy to report we see them a lot across the
19 table. And they've been very constructive. And as I said,
20 the negotiations are very promising to arrive at a mutually
21 agreeable arrangement both for the workers, who are the
22 backbone of the Commonwealth, and for the Commonwealth's
23 economy going forward.

24 Negotiations with various blocks of Commonwealth debt
25 about a plan of adjustment are always proceeding and are in

1 different stages, but they're all somewhat positive. We are
2 not negotiating with all holders of Commonwealth debt, and I
3 don't want to give the impression that a deal with the GO debt
4 is imminent, but different blocks, principals, Your Honor --
5 some debt holders we call cross holders, because they own more
6 than one type of debt. And different blocks are negotiating,
7 and that's all in process. And we're heartened by the
8 progress since the last Omnibus.

9 We've also had negotiations with the Statutory
10 Creditors Committee about its role in various claim objections
11 and avoidance actions, and to a large extent, have resolved
12 matters. And some, as Your Honor knows, are on today's
13 agenda.

14 We've also made assessments of which public debt may
15 not be wholly or partially allowable. And as Your Honor
16 knows, there are pending objections to the allowability of
17 certain of the debt based on the investigations that the Board
18 has conducted and the input of its various advisors.

19 And finally, Your Honor, there's been a continued
20 defense of the Oversight Board against all of the complaints,
21 motions and appeals that are matters of public record, that I
22 won't belabor the record further, because I think everyone's
23 familiar with them. But they are obviously multitudinous and
24 require a lot of time.

25 The second item in Your Honor's instructions in

1 respect to the status report referred to status of mediation.
2 The Oversight Board has mediated with the Puerto Rico Judges'
3 Association about the treatment of their retirement benefits,
4 and those discussions, which are with the benefit of the
5 mediators, are ongoing. Because of the confidentiality
6 agreement governing the mediations, I cannot report on what
7 happened when the mediators and the GO parties reconvened in
8 February, but based on my previous statements about ongoing
9 negotiations with various significant creditor groups, I can
10 say progress towards Commonwealth and PREPA plans of
11 adjustment is definitely being made, and that we, and I think
12 the creditors, keep the mediators apprised of how things are
13 shaping up. And we discuss whether the more formal mediation
14 should become more active. The Oversight Board has also
15 always supported the judicial mediation.

16 In terms of the anticipated next step for the
17 Oversight Board, Your Honor, the Oversight Board is trying to
18 bring to fruition all of the negotiations I've mentioned. The
19 Board will be turning its attention to the certification of
20 fiscal plans and new budgets for the fiscal year beginning
21 July 1, 2019, so that will also occupy a lot of time between
22 now and June 30.

23 In respect to the Court's question about the
24 anticipated issuance of the First Circuit mandate, as I'm sure
25 the Court knows, the Oversight Board filed its petition for

1 certiorari with the United States Supreme Court yesterday. We
2 anticipate imminently filing a motion with the First Circuit
3 to stay its decision and the issuance of its mandate pending
4 the Supreme Court's final determination of the issue.

5 We hope the First Circuit will grant the stay. If
6 not, the Oversight Board anticipates requesting a stay from
7 the United States Supreme Court. There is also the
8 possibility that President Trump will request the United
9 States Senate to confirm seven board members, but we do not
10 speculate about whether or when that is likely.

11 Your Honor, subject to any comments or questions Your
12 Honor might have, that's the status report.

13 THE COURT: Thank you. I have no further questions
14 at this time.

15 Mr. Despins.

16 MR. DESPINS: Good morning, Your Honor.

17 THE COURT: Good morning.

18 MR. DESPINS: Luc Despins with Paul Hastings on
19 behalf of the Committee.

20 So this will be very brief, just to say that, because
21 I want to make sure that the Court continues to know this,
22 that the Committee, despite what was said at the last hearing
23 and in discussions with counsel for the Oversight Board, the
24 Committee is not being included in the plan discussions.
25 We're -- I don't think we need to say more than that. I just

1 wanted to make sure you understood that.

2 The only issue that concerns me, Your Honor, and it
3 didn't happen today but it's happened at prior hearings, is
4 the issue of referring to the mediation and what the mediators
5 are saying. I thought it was very clear that that was really
6 prohibited.

7 At the hearing, the last Omnibus Hearing,
8 Mr. Bienenstock talked about the mediators including or not
9 including certain parties. You know, that's totally
10 inappropriate. And the last hearing in New York, Mr. Rosen
11 talked about the same thing, which is that mediators have
12 decided this or that.

13 I just don't know how to say this other than there's
14 only one Court, and that is this Court. And we cannot have
15 references to decisions made by mediators. The mediators are
16 trying to cut a deal on a plan. It's wonderful. They should
17 continue to do that. But we cannot have people using that as
18 a sword or as a -- in court.

19 And I wanted to -- we didn't say anything last time
20 because there were a lot of things going on, but I want to
21 make sure the record is clear that the Committee believes any
22 reference to mediation, other than saying it's ongoing or not,
23 but any references to what the mediators are doing or decided
24 to do or not to do is not appropriate in the courtroom.

25 THE COURT: I will just say that I heard

1 Mr. Bienenstock's remarks today, and I recall the remarks at
2 the earlier Omni as being discrete and at the level of things
3 are active or not active. And it's certainly not my intent,
4 and the mediation team and I have undertaken not to use
5 mediation as a whipsaw with anybody. And I don't hear myself
6 being invited to use it as a whipsaw with anybody.

7 Having said that, I am concerned and will continue to
8 be concerned that the mediation process, which is
9 sophisticated and available, be used robustly and
10 appropriately; and that we don't devolve into a litigation
11 only scenario that could be far less efficient and productive
12 than a scenario that involves people talking to each other and
13 trying to work things out sooner rather than later, because of
14 course time is of the essence and precious in this situation
15 that involves the life and future of Puerto Rico.

16 So I think I've made that obvious to everyone from
17 the first day.

18 MR. DESPINS: Yes.

19 THE COURT: Mediation's a key element, so I'm asking
20 is that element happening essentially --

21 MR. DESPINS: Yes.

22 THE COURT: -- when I ask for these status reports.
23 And I'm looking essentially for a yes or no type answer, and
24 that's what I feel I've gotten at a high level.

25 MR. DESPINS: And the remarks made today were

1 perfectly within those boundaries. I'm referring to remarks
2 made, for example, at the last hearing on Wednesday where, you
3 know, there was a discussion by Mr. Rosen about the mediators
4 didn't want this party involved or that party involved.

5 That's on the record. I know that. I heard that.
6 We cannot have that. And that was my only point. But the
7 remarks made today were perfectly appropriate, and we agree,
8 we support mediation. We want to resolve things consensually,
9 and we want to be involved in that process.

10 Thank you, Your Honor.

11 THE COURT: Thank you.

12 All right. So let's move on to Item II on the
13 Agenda, the report from the Fee Examiner, which corresponds to
14 ECF entry number 6374 in the 3283 case.

15 Good morning, Ms. Stadler.

16 MS. STADLER: Good morning, Judge. Thank you.
17 We'll be very brief today.

18 We filed a supplemental report recommending 12
19 additional fourth interim applications, which covered June
20 through September of 2018. Those recommendations we believe
21 are clear and uncontroversial, and we are asking the Court to
22 enter an Interim Order approving those applications.

23 And then there is also an Interim Order that one of
24 those applications is final, because the professional
25 submitting that application has completed his work on these

1 cases.

2 We are currently reviewing the applications for the
3 fifth interim period, which ran from October 2018 to January
4 2019. We expect to report on those applications and the
5 issues raised there in the June Omnibus Hearing. And I'm
6 happy to answer any questions you have for me or the Fee
7 Examiner.

8 THE COURT: And I gather you're also asking that the
9 presumptive standard issue be carried over to the June Omni as
10 well?

11 MS. STADLER: Yes, Judge. We had very productive
12 discussions yesterday with some of the interested parties and
13 constituencies, and we expect to have a submission to the
14 Court in time to be considered at the June Omnibus.

15 THE COURT: Thank you.

16 Well, I've reviewed the written submission carefully,
17 and with these additional remarks, I have no further
18 questions. And I thank you and I thank the Fee Examiner for
19 your ongoing work on these matters.

20 The Court will enter an Order approving the fee
21 applications listed in Exhibit A to the motion and the final
22 fee application listed in Exhibit B to the motion. And the
23 Court will consider the fee applications listed as part of
24 Exhibit C to the motion, as well as the additional presumptive
25 standards motion, at the June Omnibus hearing.

1 MS. STADLER: Thank you, Judge. With that, may we
2 be excused?

3 THE COURT: Yes. Thank you, Ms. Stadler.

4 MS. STADLER: Thank you.

5 THE COURT: So I would like to take up the PREPA
6 receiver motion time extension application now. Is counsel
7 for National here?

8 Thank you.

9 MR. MORGAN: Good morning, Your Honor. Gabe Morgan
10 of Weil, Gotshal and Manges on behalf of National Public
11 Finance Guarantee Corporation.

12 THE COURT: Good morning, Mr. Morgan.

13 MR. MORGAN: If I could indulge Your Honor for a
14 slight delay in taking this matter up, we have counsel in New
15 York that will come to the courthouse there and be happy to
16 make their -- National does oppose the request, and so we'll
17 be happy to make the arguments against the requested extension
18 if we can have a little more time to have someone appear
19 there.

20 THE COURT: That's fine. Do you have a sense of --
21 so somebody has to come downtown to the courthouse?

22 MR. MORGAN: Somebody has already left the office and
23 is heading downtown, so --

24 THE COURT: All right. So later in the morning?

25 MR. MORGAN: That should work. And I'm happy to

1 advise the Oversight Board's counsel once we have someone in
2 place, and they can work it back into the agenda.

3 THE COURT: I'll look for a signal later then.

4 MR. MORGAN: Thank you, Your Honor.

5 THE COURT: So we'll go on to Item III on the Agenda,
6 the uncontested matters, which are the objections to the
7 individual claims.

8 And Mr. Rosen, I noticed a technical issue with
9 respect to these, and so I just want to front this. As I read
10 Rule 3007(A)(1), an objection has to be noticed up 30 days
11 before the scheduled hearing date. And since these seem to
12 have been noticed up more in consistency with the CMO, it was
13 only a 27-day period before today's date. And so even though
14 there hasn't been an objection or any response in accordance
15 with the timetable in the Order, it seems to me prudent to
16 just formally adjourn these two out to the June Omni so that
17 we clearly have 30 days; and to require the Board to, within
18 seven days, provide notice to the claimants of the new hearing
19 date, and file an informative motion indicating that that
20 notice has been filed.

21 MR. ROSEN: We'll do that, Your Honor.

22 I also wanted to take the opportunity just to give
23 you sort of a status update about the claims process.

24 THE COURT: Great.

25 MR. ROSEN: Because we've made some other comments

1 over time, and I just wanted you to be aware what was going
2 on.

3 Your Honor, as we indicated, there have been about
4 165,000 claims filed. As the Court is aware, we filed, in
5 connection with COFINA, about 19 other omnibus objections and
6 other claim objections that the Court has already ruled upon.
7 And we filed additional omnibus claims objections, I think
8 approximately 15 more, within the last week or so that will be
9 scheduled for the June Omnibus Hearing date.

10 The two claims that you've just adjourned, Your
11 Honor, you know that I've talked about in the past 43 trillion
12 dollars worth of claims that have been filed against the
13 Commonwealth. These two claims themselves account for 42 of
14 the 43 trillion in claims. One is approximately 32 trillion
15 dollars, and the other is just shy of ten trillion dollars.
16 And of course they were filed with nothing supporting it, but
17 we'll deal with those as we get later on, Your Honor.

18 The other thing I wanted to brief the Court about is
19 -- because at the March Omnibus Hearing we talked about
20 filing, and having heard at this hearing ADR procedures, and
21 we have been working very, very closely with the
22 Administrative Office, Ms. Abdelmasieh, and getting those
23 procedures I believe more in line with what the Administrative
24 Office is thinking about and through whatever communications
25 they might be having with the Clerk of the Court, so we can

1 deal with those on an expedited basis, as well as a basis
2 which is going to be most convenient for the Court.

3 There are approximately ten -- well, there are tens
4 of thousands of claims which might have to be subject to the
5 ADR process, Your Honor, and we're just trying to come up with
6 something that works for all parties. As part of that, we've
7 been working with the O'Melveny team, as well as the Unsecured
8 Creditors Committee, and passing back and forth initially
9 procedures. And now we have to get to them the new procedures
10 that have been developed in connection with the Administrative
11 Office.

12 It is our hope, and I say hope, Your Honor, that we
13 will be in a position to file those within two weeks. So they
14 will also be heard at the June Omnibus or even before that if
15 the Court has some time, because we would like to get the
16 claims reconciliation process moving sooner rather than later
17 because of the magnitude of the number of claims themselves.

18 We will also be filing, Your Honor, another Omnibus
19 Motion to modify some of the existing procedures that the
20 Court approved. One, most notably, would be increasing the
21 number of claims which might be subject to an Omnibus
22 objection. Again, if we were to continue down the path of 500
23 per Omnibus, we would be dealing with these claims probably
24 about ten years from now. So in as much as -- and we've
25 worked this through with the Administrative Office, and they

1 have agreed that increasing the number to a much higher number
2 would be workable from the Court's perspective.

3 So again, we will file that, Your Honor, within the
4 next two weeks.

5 THE COURT: Thank you for that update and ongoing
6 work.

7 MR. ROSEN: Thank you.

8 MR. DESPINS: Your Honor.

9 THE COURT: Yes, Mr. Despins.

10 MR. DESPINS: Your Honor, as Mr. Rosen just
11 described, there are extensive discussions going on with the
12 Administrative Office. I don't know exactly what that is but
13 I suspect what they do. The Committee is not involved in
14 that. We've asked to be involved. Not to be argumentative,
15 but if they have concerns about what we're proposing, we would
16 like to interface with them to see how we can work this out,
17 not through the filter of the debtor.

18 We would like to be able to communicate with them or
19 at least see what their concerns are, because there's been
20 extensive communications, as Mr. Rosen described. And as far
21 as I know, I don't think there's any privilege to these
22 discussions. I think we're -- we're not trying to be
23 argumentative here, but these issues of dealing with claims,
24 this is what the Committee is largely all about.

25 And we want to be part of the process to develop up

1 | these procedures rather than coming to court and saying, hey,
2 | we don't like those procedures for the following reasons.
3 | We'll never know if we could have proposed other procedures
4 | that would have met with someone else's approval. And that's
5 | why we're asking to be involved in these discussions, Your
6 | Honor. And that's it.

7 | THE COURT: Well, the Administrative Office is
8 | filtering and channeling the concerns and understandings of
9 | the third branch as to what's feasible and what's workable.
10 | So I'll say this: If you have particular questions or a
11 | particular proposal that you would like to ask the
12 | Administrative Office to consider reacting to, you can request
13 | that Mr. Rosen provide --

14 | MR. DESPINS: Okay.

15 | THE COURT: -- a document to the Administrative
16 | Office. And I can't speak for how they will manage that. I
17 | think they're not intending to convene, you know, meetings or
18 | focus groups, and I'm not saying that in a flippant way.

19 | MR. DESPINS: No, of course not.

20 | THE COURT: But if you have something specific to be
21 | transmitted --

22 | MR. DESPINS: Yes.

23 | THE COURT: -- as a request, you can transmit it
24 | through Mr. Rosen, who I gather is the one directly --

25 | MR. DESPINS: Okay.

1 THE COURT: -- in touch with the point person at the
2 AO.

3 MR. DESPINS: We will do that, Your Honor. Thank
4 you.

5 THE COURT: Thank you.

6 All right. So this takes us to the first contested
7 matter, which is the Motion for Approval of the Revised
8 Stipulation relating to joint prosecution of certain causes of
9 action, which is ECF number 6305 in the 3283 matter. We've
10 allotted a total of 30 minutes for this motion, and I
11 understand that Mr. Despins will open.

12 And I understand that you had asked for ten minutes.
13 Do you want to reserve reply time?

14 MR. DESPINS: Actually, Your Honor, let me preempt
15 that, because we had some discussions this morning just before
16 court that are still ongoing. It involves a number of
17 parties, and we would ask, with Your Honor's indulgence, to
18 allow us to push that over to later on the agenda, which could
19 be productive. I don't want to over promise, but it could be
20 productive.

21 THE COURT: All right. So you will let me know when
22 it's time to bring it back?

23 MR. DESPINS: Yes, Your Honor.

24 THE COURT: All right. We will do that. I'm making
25 a list of what's going to be on essentially second call.

1 MR. DESPINS: And I know we're not in the state
2 court, but I think yes, that's what we're doing.

3 THE COURT: In Bankruptcy Court in Brooklyn, we used
4 to have second call, also.

5 MR. DESPINS: And, Your Honor, the same issue but a
6 different timing for the next motion. This was the
7 Committee's motion to establish procedures to govern the
8 objection to the ERS bondholder claims.

9 THE COURT: Yes.

10 MR. DESPINS: Yesterday, I forget at what time,
11 three, four o'clock, the Retiree Committee filed their own
12 objection to the bondholders' claims. So as a result of that,
13 it doesn't make sense for us to go forward to establish
14 procedures just for our objection, because then we may have to
15 do this twice.

16 So we need to table that, unfortunately, to --
17 hopefully it will be soon, in the next ten days or so, where
18 we would come back to Your Honor and say, okay, we have the
19 Retirees Committee objection. Their objection is both on the
20 Commonwealth side and the ERS side, so we may have to deal
21 with that issue, but I don't think it makes sense to -- for
22 Your Honor to consider entering a Procedure Order for our
23 objection when there will be an objection right behind it that
24 would seek the same or a similar request.

25 And I think -- so unfortunately, I apologize, this

1 just happened yesterday -- that the best thing to do would be
2 to table that motion for now.

3 THE COURT: Let me tell you this: With respect to
4 your motion, after reviewing the papers, my strong inclination
5 was to adjourn your Procedures Motion to the June Omni and
6 consider it in coordination with the objection to the
7 continued existence of the Committee as such in ERS --

8 MR. DESPINS: Okay.

9 THE COURT: -- and so I was going to invite any
10 argument about that adjournment here but not entertain the
11 merits of the Procedures Motion. So are you comfortable with
12 consenting to an adjournment, in light of all of these
13 circumstances, of your Procedures Motion to the June Omni?

14 MR. DESPINS: Of course, Your Honor.

15 THE COURT: Very well. So that is adjourned to the
16 June Omni. Thank you. And I was referring to ECF number
17 5589, which was IV.2 of the Agenda.

18 And so the next item on the Agenda, Item IV.3, is the
19 GO Bondholders' Motion to Establish Procedures regarding an
20 Omnibus conditional objection to the claims of PBA
21 bondholders, which is ECF number 6104.

22 And, Mr. Stancil, I've been told that you intend to
23 open with a 22 and a half minute allocation out of the total
24 45 minutes. Do you want to reserve anything for reply?

25 MR. STANCIL: Yes, Your Honor. May I reserve ten

1 minutes, please?

2 THE COURT: All right. So we'll set you up at 12 and
3 a half to start.

4 MR. STANCIL: Thank you. And I apologize that this
5 matter does, in fact, need to go forward. I can't push this
6 one off.

7 Let me briefly explain, Your Honor. Mark Stancil for
8 the Ad Hoc Group of GO Bondholders. Let me start by very,
9 very briefly explaining what the selective claim objection
10 says and what the conditional claim objection that we have
11 filed says.

12 The selective claim objection has three main
13 premises. One, the PBA, which has existed for 60 plus years,
14 is a sham, a sham designed to evade a constitutional debt
15 limit. Two, despite that fact, that the PBA bonds are
16 actually not PBA bonds at all, but are, in fact, direct issue
17 debt of the Commonwealth. Direct GO debt. And three, that
18 the constitutional debt limit must be retroactively
19 recalculated.

20 Those are the three core premises. But the selective
21 claim objection artificially circumscribes itself in three
22 critical ways primarily. First, it assumes that the bonds
23 that are the product of the sham are actually entitled to the
24 windfall of being remade into GO bonds.

25 Secondly, it refuses even to ask -- even though it

1 says these are GO bonds, it refuses even to ask whether those
2 newly minted GO bonds are themselves passing muster under the
3 debt limit. And third, it just stops its own analysis in
4 2012.

5 So what the conditional claim objection seeks to do,
6 it says, if you're going down this path, and we'll talk about
7 why that path is wrong headed, but if you're going down this
8 path, it cannot be artificially circumscribed. And there is a
9 central reason why that is so, which is the selective claim
10 objection affects way more bonds than they singled out for
11 treatment in this first salvo. We're just trying to make sure
12 everybody has notice and an opportunity to be heard.

13 Now, let me just explain why they've done this, and
14 then I'll move on to -- I'm sorry, Your Honor. If you have a
15 question --

16 THE COURT: I just have a question for you. I gather
17 from your submissions that your constituency, as movants here,
18 actually don't subscribe to the legal theory underlying the
19 conditional objection. And so given that, and given the state
20 of play at this point that there has been what you
21 characterize as selectivity in attacks on the PBA bond, how
22 could I properly recognize your constituency as having
23 standing to assert this objection that you disclaim, and what
24 purpose would be served in telling a broad swath of people
25 that, yeah, there's somebody that thinks there could be an

1 issue; not that they're going to press it, but you should kind
2 of know? It seems unusual.

3 MR. STANCIL: Well, what's unusual, Your Honor, is
4 the circumscribed nature of the claim objection, and that's a
5 feature of their approach. But let me give you the "why"
6 answer and then I'll tell you the "what," the specific legal
7 rules that I believe conclusively answer Your Honor's
8 concerns.

9 The "why," it's important to understand why they
10 targeted certain bonds, and with respect, it's no secret to
11 anybody in this room. The goal is to engineer a plan of
12 adjustment that justifies disparate treatment of selectively
13 challenged bonds and the as-yet unchallenged bonds.

14 It's an attempt to manipulate the plan process. And
15 that's why we have certain groups naming themselves lawful
16 this or whatever. It's an attempt to engineer a plan of
17 adjustment that justifies crushing one set of bonds, six
18 billion dollars in bonds because this plan needs a victim,
19 because the Board has failed to implement the reforms that it
20 itself has said could enable a consensual resolution. So
21 that's why we are here.

22 Let me now go directly to Your Honor's question and
23 get right into what they've styled as a ripeness argument.
24 This is not unripe. As a constitutional matter, I would
25 direct Your Honor to Rule 14 of the Federal Rules of Civil

1 Procedure, which I think is the perfect analog to explain why
2 this is not constitutionally premature or unripe or
3 hypothetical.

4 Under Rule 14, if in a regular civil proceeding, if
5 we were sued by, say, the Oversight Board for malfeasance, we
6 would say, well, we didn't do it; but if we are adjudged to be
7 liable, this third party over here is liable for the damages.
8 This happens every day, as Your Honor is aware, in Federal
9 Court.

10 And there is no suggestion, none whatsoever in those
11 circumstances that it's somehow hypothetical or unripe just
12 because you contest, the original defendant contests the
13 premise of the lawsuit against them. That is no different
14 than what we have here.

15 We do not think the PBA is a sham, and most of the
16 people who will stand up against me today do not think the PBA
17 is a sham either. But that fact, the fact that we don't agree
18 on the first premise of their argument does not mean that our
19 additional defenses are unripe or premature or that we lack
20 standing to present them.

21 We are a party in interest, and when alleged -- when
22 it has been alleged that our claims are invalid because PBA is
23 a sham, we have absolutely the right to turn and say, well, if
24 -- we disagree with your premise, but if you're right that
25 it's a sham, let us tell you what actually happens. It's this

1 third party over here, for example, the PBA bondholders or
2 pre-2012 GO bondholders. Those are the parties that would
3 have to suffer.

4 THE COURT: But your papers seem to me to hedge it
5 even more than, you know, the standard pleading of an intent
6 to make a contribution claim or a claim over in the event of a
7 liability finding, because, as I recall, you say not only do
8 we think that theory is wrong, we might, for reasons of our
9 own, not even assert that even if we lose in the current
10 selectivity thing.

11 And I can understand that many people have interests
12 in different types of bonds, and so it might be that even in
13 the case that the Oversight Board prevails in the selective
14 objection, that the targets of the selective objection still
15 might not make this invalidity argument as to PBA or other
16 tranches of bonds. Am I not reading you properly?

17 MR. STANCIL: I don't think so, Your Honor. And
18 maybe it will help if I can put maybe a concrete example of
19 what we're talking about, because I think that will show the
20 real nature of the argument. Let's take the simplest example.
21 It's not the only example.

22 The simplest example of selectively here are PBA
23 bonds issued in between the first two -- the first series that
24 they have challenged and the second series that they've
25 challenged. So by their logic, Puerto Rico was over the debt

1 limit after you recalculate all this stuff for however many
2 years. In 2012, they were over the limit. And then there are
3 PBA bonds issued, and then the 2014 bonds that they target.

4 Were they to try to invalidate our bonds by arguing
5 that the PBA bonds are actually GO bonds but the PBA bonds in
6 between those two GO bonds are not ever subject to the debt
7 limit, makes absolutely no sense. So it's not a question of
8 whether we have to prevail or lose the claim objection and
9 seek contribution. We are going to be defending the selective
10 claim objection with the logic of their own flawed
11 methodology. There is absolutely no basis, zero, that we can
12 imagine for saying a PBA bond is a GO bond for recalculating
13 the debt but not a GO bond for whether it itself passes the
14 debt limit.

15 So that's the incoherent nature of their own
16 selectivity that we will absolutely be defending. And why
17 does that matter to us? Because you would have to approach
18 this sequentially, and this is not something they are willing
19 to do but this will absolutely be the case.

20 If a bond is invalid, say, from 2009 or 2010 or 2011,
21 then it's invalid. It's gone. So it no longer counts against
22 the debt limit for purposes of whether subsequent bonds, 2012,
23 2014 are invalid.

24 So when we come to Your Honor to defend the selective
25 claim objection, one of the many arguments you will hear from

1 us is, if they're right about -- with respect to all of this
2 crazy stuff about remaking PBA into this and that and
3 recalculating retroactively, if they are right, their own
4 logic requires them to start with invalidity years earlier.
5 And those bonds disappear, because you can't say these bonds
6 are invalid but they still count against the debt limit.

7 And so that's why we're saying this is all
8 interrelated. So they're giving you a false choice, with
9 respect, Your Honor. They're saying --

10 THE COURT: Just one moment.

11 MR. STANCIL: Yes.

12 THE COURT: Please put down the sign. Thank you.

13 You are welcome to be a spectator.

14 Thank you.

15 MR. STANCIL: They're giving you a false choice, Your
16 Honor, about, well, we can get to this later if it comes to
17 it. That's not correct. What they're asking us to do and
18 asking Your Honor to participate in is a litigation of crucial
19 questions that will undoubtedly affect all of these other
20 bondholders.

21 Let me give you another example if I may. Everybody
22 here, everybody in this courtroom is interested whether PBA is
23 a sham. You've read the submissions. And various people,
24 even people opposed to this motion argue vociferously it is
25 not a sham.

1 Well, what about the PBA bondholders that are not
2 here, the ones that we're intending to notice? We're going to
3 litigate the selective claim objection. And let's say Your
4 Honor were to determine that PBA is a sham. We don't think
5 you'll get there, but let's say that you were to make that
6 ruling. By everyone's admission, we can then defend and say,
7 well, if PBA's a sham, then the PBA bonds are invalid.

8 Then we're going to go to those PBA bondholders who
9 they're resisting bringing into this case and tell them, by
10 the way, your entity has been adjudged by Judge Swain to be a
11 sham and now we're here to litigate whether your bonds are
12 invalid or someone else's bonds are invalid. Aren't they
13 entitled to say, wait, where was I when you litigated whether
14 PBA was a sham in the first place?

15 THE COURT: Well, it seems to me that at the time
16 when that claim was actually articulated, whether as a defense
17 and put in play or somebody else comes along and articulates
18 it as an objection, you probably have necessary party
19 questions, you have due process questions, you have a who's
20 going to be bound and who deals with law of the case as
21 opposed to being directly bound; but at that point, there is a
22 concrete moment in time and a concretely identified issue that
23 the -- that can be considered in connection with notice and
24 participants and all that sort of thing.

25 MR. STANCIL: Well, with respect, Your Honor, we

1 think that's incorrect. That's why we filed it now.

2 In fact, in the Kentucky case that we cite to Your
3 Honor, this was an old 1939 case where they were debating the
4 validity of another bond and how it affected the debt limit
5 for this bond that was under adjudication. And the Court
6 said, wait a minute. You didn't give notice to the holders of
7 that old bond, and so I'm not going to decide here today that
8 your bond is valid because their bond is invalid. So we are
9 doing exactly what we think is appropriate.

10 The question is here, you know, they have alleged
11 point blank PBA is a sham. Every PBA bondholder is interested
12 in that question and has an interest. And if they're not
13 bound by it, Your Honor, if we were to litigate that question,
14 for example, that they are somehow not bound by it, we would
15 be prejudiced because now there would be multiple bites at the
16 apple on that question.

17 I actually think there would be a question of virtual
18 representation, and they'd probably be bound by the parties'
19 litigation of it here. I haven't looked at that exhaustively,
20 but I think that's a serious question.

21 THE COURT: Isn't that a question as to whether the
22 intervention of certain bondholders that's been approved in
23 whatever it is, 18-149, is sufficient as opposed to --

24 MR. STANCIL: Well, not with respect to fundamental
25 due process, Your Honor. Either these -- these unnoticed GO

1 and PBA bondholders, either they don't get notice of this
2 proceeding and they're going to be bound by what we determine
3 in this case, and these questions have been presented, or
4 they're not going to get notice, or they will get notice and
5 they can come and participate.

6 It is pitched I think falsely as a -- we're trying to
7 duplicate this. With respect, that's the product of their
8 overbroad theory. We can't -- we can't control the fact that
9 they've alleged a theory that affects 12 billion dollars of
10 bonds when they've only wanted to single out six billion.

11 And I see that my initial time is maybe -- I can't
12 tell, but we're going over.

13 THE COURT: You're counting up now, but I took five
14 minutes of it with your questions, so you can go until it says
15 five and a half minutes.

16 MR. STANCIL: Thank you, Your Honor.

17 One point I'd really like to focus on is the
18 inconsistency of the UCC and the Oversight Board in this very
19 proceeding, and you'll hear it later today. They are
20 determined to bring avoidance actions against various third
21 parties who are involved, they say, in the various bonds that
22 have been objected to. And they specifically cite our
23 conditional claim objection.

24 So they believe that their causes of action against
25 the third parties who are alleged to be involved with the

1 bonds that we are objecting to, they believe those are ripe,
2 but they are saying that it's unripe or premature for us to
3 bring the claims on which, in other words, they're relying as
4 the premise for their avoidance action. They cannot have it
5 both ways, Your Honor.

6 And I do want to point Your Honor specifically to a
7 First Circuit case that I think is directly on point and
8 frankly forecloses the logic that they are espousing here.
9 This is the *Lehman versus Revolution Portfolio* case that we
10 cite. It's 166 F.3d 389.

11 And this was an instance in which the FDIC had been
12 sued by a borrower. The FDIC had stepped into the shoes of a
13 failed bank. A borrower had sued them on a foreclosure -- for
14 damages relating to foreclosure, and they had their defenses
15 against that claim. And the FDIC also sued a third party
16 for -- because they basically had a contribution claim against
17 the third party guarantor of the loan.

18 And the third party argued, he said, well, you can't
19 bring me in yet. You don't even know if you're liable to the
20 original plaintiff. And critically he said, you, FDIC, you
21 have this statutory defense which, on the face of the opinion,
22 looked to be pretty much a dead bang winner for the FDIC. And
23 he said, you should go and litigate whether you even have
24 liability to the original plaintiff before you can drag me in
25 as a third party.

1 And the courts rejected that and said, requiring a
2 District Court to determine the merits of all defenses
3 potentially available to the original defendant as a
4 precondition to allowing that defendant to file a third-party
5 complaint would frustrate the purpose of Rule 14.

6 That's exactly what we're doing here, Your Honor. If
7 this were an adversary proceeding, I would be invoking Rule 14
8 by name, and that's the motion that we'd be filing. They've
9 styled it as an Omnibus Claim Objection.

10 You have two choices, with respect, Your Honor. One
11 is, we're going to start litigating questions that matter to
12 all these people they don't want noticed. And the other
13 choice is, we're going to be litigating those very same
14 questions and giving notice to the people affected. It's an
15 unfortunate choice, but the idea that this can be done later
16 is I believe incorrect. It can't be done later without
17 prejudice to either us or to the unnoticed bondholders.

18 And as I said at the outset, Your Honor, it's being
19 done we think tactically to manipulate a plan of adjustment in
20 a way that is only going to make the plan of adjustment --
21 it's going to drag it right down into this litigation. If
22 they want to go down this path and say that six billion
23 dollars of bonds are invalid, they need to stand by their own
24 logic, such that it is, and say, well, actually, it's 12
25 billion dollars of bonds that are invalid.

1 We don't think any bonds are invalid, but there's no
2 requirement under Article III, there's no Prudential Doctrine
3 that would require us to sit on our hands. And with respect,
4 Your Honor, they've portrayed it as efficiency versus
5 confusion. What will be confusing is to tell people two
6 months from now, surprise, we've already litigated questions
7 that matter quite a bit to you, and you only get to come back
8 into this process when we're halfway done.

9 I'll reserve if I may, Your Honor.

10 THE COURT: Thank you.

11 MR. STANCIL: Thank you.

12 THE COURT: Mr. Despins, so I have you down for seven
13 minutes.

14 MR. DESPINS: Yes, Your Honor. And I'm going to rely
15 on Mr. Kirpalani's remarks regarding the justifiable -- or
16 whether there's a case in controversy here largely. I just
17 want to address some big picture issues.

18 The first one is that this -- that the objection to
19 the GOs was based on some plan conspiracy. I love it except
20 that, as I told you, we're not involved in the plan process,
21 so I don't know how we're involved in this conspiracy. I'm
22 joking, but it's serious. I don't know where there is coming
23 from. I think that's certainly not from our point of view.

24 However, what he's saying essentially, what
25 Mr. Stancil's saying is that he's concerned about these other

1 bondholders that he does not represent somehow being bound by
2 his actions. And he says, that's really awful. We need to
3 give them notice. We have to step back, Your Honor.

4 And that's the same thing regarding the objection
5 that they've articulated regarding the stipulation. You know,
6 they don't want the case to go forward, or at least not the
7 way it's going. And the point is if we create enough chaos
8 around various things, then the case cannot go forward.

9 And the Court should be really reluctant to entertain
10 the argument of someone saying, I don't hold these other bonds
11 but I'm really concerned about these poor people. And I know
12 I will be able to make those arguments about sequential and
13 all that, I know I'll be able to make them in my proceeding,
14 but I'm concerned about these other people not being involved.
15 And in that regard, you know, I think that it's really arguing
16 the rights of others.

17 And in terms of Rule 14, and I'm really not an expert
18 on this, but I always understood that to be in the nature
19 of -- and Mr. Stancil, you know, described a part of the Rule
20 but not the entirety of it, which is if there's an accident
21 somehow, a plane crash or something like that, and I'm the
22 pilot, I'm getting sued, I'll say, I'm not negligent but if in
23 fact I'm held to be negligent, the manufacturer of the plane
24 is liable to me because there was a defect in manufacturing
25 the plane. So they're liable to it, to Mr. Stancil's client.

1 But that part is not present here.

2 The other bondholders would not be liable to
3 Mr. Stancil's client. They might suffer other consequences,
4 but they would not be liable.

5 So, you know, essentially, Your Honor, again,
6 Mr. Kirpalani is going to address issues regarding the case in
7 controversy issue and all that, but we believe that this
8 motion should not go forward because it's designed to create
9 chaos, which is not necessary. And the point that he made
10 about we're being inconsistent, so -- I want to address that,
11 because the Oversight Board, I'm talking about the Special
12 Claims Committee now, has determined that they want to assert
13 certain claims.

14 Mr. Stancil is right in a kind of conditional
15 fashion. You might say, well, that's not consistent, but
16 we're facing a totally different issue here. There's a
17 Statute of Limitations, and that statute is about to expire.
18 And I want to be clear, and I think Mr. Weisfelner can confirm
19 this, there's no intention of prosecuting, meaning involving
20 all these people in the conditional part of this at all. It's
21 just to toll the Statute of Limitation that these claims are
22 being filed.

23 This is not what Mr. Stancil is doing. He could just
24 file as a production and say, hey, I'm on record. That's our
25 position. That's fine. But yet he wants to bring everybody

1 else, which is going to be chaos. So there's a huge
2 difference between the two. We have no choice but to file
3 that complaint, because otherwise, these claims are gone.
4 That's not the same as this situation, Your Honor.

5 Thank you.

6 THE COURT: Thank you.

7 And so now, Mr. Kirpalani from New York for five
8 minutes.

9 MR. KIRPALANI: Good morning, Your Honor.

10 THE COURT: Good morning.

11 MR. KIRPALANI: Thank you for allowing me to
12 participate from New York today. For the record, Susheel
13 Kirpalani of Quinn Emanuel Urquhart & Sullivan on behalf of
14 the Lawful Constitutional Debt Coalition.

15 And just to orient the Court, our clients own over a
16 billion dollars of early vintage PBA bonds, as well as early
17 vintage GO bonds. So to the extent that counsel for the Ad
18 Hoc GO Group is concerned that PBA bondholders are not
19 involved, we are here.

20 The Ad Hoc Group's opening motion is really where the
21 Court should start in determining what is the authority for
22 the Ad Hoc GO Group's relief. And they cite four things in
23 the opening motion, starting in paragraph 15. The first is
24 Rule 3007(d). And why do they cite that Rule? They actually
25 admit in their own opening motion that the Rule doesn't

1 support the relief that they seek, but what they quote and
2 what they say is that the Court has discretion to modify Rule
3 3007 and allow them to move forward with this rather unique
4 conditional claims objection. So that's the first one.

5 The second one, paragraph 16 of the opening motion,
6 cites Section 105(a) of the Bankruptcy Code. And for that,
7 they say the Court can use its equitable powers, again in its
8 discretion, to either protect the value of a debtor's
9 assets -- well, that's true but not really relevant here. And
10 two, to facilitate orderly administration. That's up to the
11 Court. And that's in their opening papers.

12 The third and fourth things that they cite are two
13 cases, and that's also in their opening motion, a Ninth
14 Circuit case and a Second Circuit case. Both of those cases
15 talk about how a Court has inherent discretion to decide how
16 to manage her docket. And we would agree with all of that.
17 But by their own admission, what they're asking for is the
18 Court to exercise discretion. And we would ask the Court and
19 urge the Court respectfully to use that discretion to deny
20 this conditional objection.

21 Respectfully, as we put forward in our papers, we do
22 not believe the Court has subject matter jurisdiction over
23 unripe, speculative, hypothetical proceedings. The First
24 Circuit Court of Appeals just affirmed this Court's dismissal
25 of unripe proceedings commenced by the very same Ad Hoc GO

1 Group.

2 Mr. Stancil now comes to court and references Rule
3 14. And I agree with Mr. Despins that that has absolutely no
4 analogy or application to a conditional objection such as the
5 one put forward. That is applicable when there is a party
6 that has an injury in fact to them and they are trying to
7 insure that that injury can be remedied. This is not the
8 issue that the GO Group is asking the Court to approve.

9 Not to mention, as Your Honor knows, the Federal
10 Rules of Civil Procedure do not confer Article III
11 jurisdiction. It still needs to be a case or controversy
12 that's justiciable, and there needs to be standing by the
13 party seeking to bring it.

14 I would actually consider the conditional objection
15 much more of the kind that, you know, we see sometimes in New
16 York City, which is more of the street fighter style. If I'm
17 going down, then I want to take some other people with me.
18 That's really what that objection is all about, and it's
19 rather transparent.

20 Here, Your Honor, in terms of the procedures that the
21 GO Group were actually involved in, in designing and having
22 approved by the Court, the Court hasn't even gotten to
23 adjudicate how it wishes to push forward on this Omnibus
24 objection. All that has happened is that the Committee and
25 the Oversight Board filed an Omnibus objection and asked for

1 notices of participation, which we also filed. And there's
2 been more than a thousand of them filed.

3 So now the Board and the Committee are trying to
4 determine what should we do next, how do we proceed. There's
5 a process in place, and the Ad Hoc GO Group, as the Lawful
6 Constitutional Debt Coalition tends to do, too, will put
7 forward our views on how to phase this litigation.

8 Mr. Stancil wants to jump to the remedy, has even
9 come up with a novel -- you know, we can avoid the domino
10 effect by creating springing dominos perhaps down the road, so
11 if debt is invalid starting in 2012, somehow we can invalidate
12 the early -- kind of the early vintage of the invalid debt and
13 spring to life again late vintage clearly unlawful debt that
14 was issued in 2014.

15 It's a nice theory, and we'll hear about it I'm sure
16 in due course, but what we shouldn't do, Your Honor, is add
17 additional confusion. I've thumbed through the various
18 notices of participation. There's more than a thousand, as I
19 mentioned. There are people who have noticed an intent to
20 participate who don't even own bonds. They're confused enough
21 already. We don't blame anyone. It is complicated. And
22 they're unsure how this relief might impact them. But the Ad
23 Hoc GO Group wants to add to that chaos again, consistent with
24 the, if I'm going down, I want others to suffer as well.

25 We are awaiting word from the Committee and the

1 Oversight Board as to what's the appropriate procedure. We do
2 think and we do have ideas on how to phase this out.

3 Your Honor is aware from our papers and from our
4 notice of participation, we do not believe the PBA is the
5 alter ego of the Commonwealth. We do not believe the PBA is a
6 sham. But that doesn't mean when we read the Constitution
7 that the Ad Hoc GO Group and the holders of other late vintage
8 GO bonds will not be invalidated. They will, on the plain
9 text of the Puerto Rico Constitution.

10 But I'll close with this, Your Honor. You only need
11 to imagine, could the Ad Hoc GO Group have filed their
12 objection on their own in the absence of the Board's and the
13 Committee's Omnibus objection? How would that have read? It
14 would say, we have an idea. There is a reading of the
15 Constitution that we ourselves don't necessarily agree with,
16 but someone might, and hypothetically speaking, if the PBA
17 were the alter ego of the Commonwealth, then this is how that
18 would happen. Your Honor, could you please adjudicate that
19 for us so we can continue this coffee conversation with our
20 friends?

21 It would take Your Honor a nanosecond to throw out
22 that pleading, and Your Honor should do likewise here. It is
23 not cured by the GO Group trying to bootstrap its deficient
24 pleading to someone else's pleading who does have standing and
25 who is raising a ripe, albeit incorrect, objection.

1 There is a viable path forward, Your Honor. Don't
2 listen to Ad Hoc GO Group's ominous predictions that we're
3 going down a road here, a rabbit hole that's not going to lead
4 to progress. I beg to disagree with that and look forward to
5 showing you that down the road.

6 Thank you, Your Honor.

7 THE COURT: Thank you, Mr. Kirpalani.

8 Do any of the other objectors wish to be heard before
9 Mr. Stancil returns for his reply?

10 Ms. Miller. No? Not Ms. Miller?

11 MS. MILLER: Good morning, Your Honor.

12 THE COURT: Good morning.

13 MS. MILLER: Apologies for the confusion. Atara
14 Miller from Milbank on behalf of Ambac Assurance Corporation.

15 I want to make two small points that sort of were
16 referenced but not made directly. And the first is that what
17 we're dealing with here with respect to the procedures motion
18 and the conditional objection really relates to three separate
19 actions. The first one is the GO objection, or what the GO
20 Group has now called the selective objection. Second is the
21 PBA adversary proceeding. And then the third is now this
22 conditional objection.

23 And the way that the GOs have chosen to style their
24 conditional objection is to relate it back to those other two
25 separate and independent proceedings. And so I think

1 fundamentally that is different from asserting a cross-claim,
2 a counterclaim, joining a claim for contribution, joining as a
3 necessary party someone else who may be responsible, because
4 what you're doing in that circumstance, which we agree is
5 plain vanilla, happens all the time, what you're doing there
6 is you're actually inviting people in to participate in the
7 litigation of the core issues that are the predicates to the
8 ultimate secondary claim or downstream claim for contribution
9 or for anything -- related action.

10 I want to make clear that when you look at the
11 relief, apart from thinking about it conceptually, when you
12 look at the actual proposed notice that the GO bondholders put
13 in, which is docket 6104-1, the Exhibit A is the Proposed
14 Order. It proposes to give notice to the PBA bondholders only
15 of the conditional objection. And it says the conditional
16 objection says that if these other cases go against us, then
17 we have this conditional objection. We will be attacking the
18 validity of your bonds. Tell us if you want to participate,
19 not in the predicate actions, but tell us if you want to
20 participate in this conditional objection.

21 That doesn't even cure procedurally the problem and
22 the defect that Mr. Stancil identified, which is that there is
23 a separate proceeding, here potentially two separate
24 proceedings, the determination of which may have an actual and
25 material impact on PBA bondholders' rights down the road

1 | because of the consequences.

2 | And I think Your Honor said in one of your questions,
3 | which wasn't directly responded to, isn't that really maybe a
4 | question about the sufficiency of intervention in the other
5 | cases. It is not a basis to have a separate conditional
6 | claim. It will not address or cure the problems that
7 | Mr. Stancil's raising.

8 | You know, the same issue came up, Your Honor may
9 | recall, in connection with the Commonwealth-COFINA dispute,
10 | and there were issues raised there by Mr. Stancil related to
11 | certain attacks on the validity of the GO bonds in that
12 | regard, and then counterclaims against the validity of the
13 | COFINA bonds. And we had the same debate about how do you
14 | address it.

15 | And ultimately, it is a law of the case issue that
16 | parties are faced with all the time in complex litigations.
17 | There may be a legal principle or a legal issue that may
18 | affect multiple defendants that may be litigated against a
19 | single defendant. That defendant may lose. The second
20 | defendant -- it doesn't mean that it's unconstitutional to --
21 | or that there's some procedural defect with applying that.
22 | They'll be able to raise whatever arguments or defenses about
23 | that, either distinguishing their facts from the facts that
24 | were litigated, arguing about notice, or anything else down
25 | the road. And those are issues that Courts regularly address

1 and deal with in connection with complex matters where
2 multiple parties may be similarly affected by a similar legal
3 determination or holding.

4 So if for no other reason, we don't think that the
5 relief that they're asking for even addresses the issues that
6 they're raising.

7 THE COURT: Thank you.

8 MS. MILLER: Thank you.

9 THE COURT: Did any other opponent wish to be heard?
10 Yes.

11 MR. CURTIN: Good morning, Your Honor. Tom Curtin
12 with Cadwalader on behalf of Assured Guaranty.

13 THE COURT: Good morning, Mr. Curtin.

14 MR. CURTIN: Good morning, Your Honor.

15 Your Honor, we understand why the GO Group filed the
16 conditional claim objection that they chose to file. We
17 understand the reasons for it. We agree with Mr. Stancil that
18 the claim objection that was filed is in fact discriminatory.
19 And if the Oversight Board prevails in its claim objection,
20 the so-called early vintage bonds will also be implicated and
21 subject to challenge.

22 However, Your Honor, we do not believe that the claim
23 objection is ripe for adjudication at this time. The
24 Oversight Board's claim objection also faces ripeness issues
25 that we're going to have to address when we deal with

1 sequencing of that claim objection. For example, the issue of
2 the PBA bonds and the PBA leases, and whether or not those are
3 actual leases. That will have to be a predicate issue that is
4 decided before the claim objection is resolved for the
5 Oversight Board.

6 But this present claim objection suffers from similar
7 infirmities. We believe, Your Honor, that the Court should
8 stay adjudication or consideration of the GO Group's
9 conditional claim objection until it is ripe for adjudication,
10 which will only be if and when the Oversight Board prevails in
11 its claim objection.

12 Thank you, Your Honor.

13 THE COURT: Thank you.

14 Good morning.

15 MS. WOLF: Good morning, Your Honor. My name is
16 Shannon Wolf, and I'm with Bracewell, LLP. And I'm here on
17 behalf of the QTCB Noteholder Group.

18 THE COURT: Good morning, Ms. Wolf.

19 MS. WOLF: Good morning.

20 I just want to add, we do agree with Mr. Stancil on
21 one key point. PBA is not a sham. In -- our joint 12(c)
22 motion that is filed in connection with the PBA lease
23 adversary proceeding and is attached to our brief that we
24 filed in response to the conditional objection lays that out
25 pretty clearly.

1 But setting that aside, where we don't align is that
2 we do not believe that the conditional objection is ripe for
3 all the reasons that you've heard today. The document speaks
4 for itself. It is contingent. It only materializes if the
5 Court makes certain findings or adopts certain premises in
6 connection with the Omnibus claim objection and also in
7 connection with the PBA lease adversary proceeding.

8 To the extent that the GO Group believes it is going
9 to raise defenses in response to the Omnibus claim objection
10 and that those defenses might, at some point in the future,
11 harm or impair the rights of unspecified bondholders who are
12 not yet participating in the proceedings in connection with
13 the Omnibus objection, if you look at the procedures in the
14 Omnibus objection, those procedures are flexible enough to
15 allow for late comers to participate. If the situation does
16 arise that there are issues in the defenses that implicate
17 current non-participants, they can seek leave from Your Honor
18 to join in the litigation if that -- if it arises.

19 And finally, the judicial economy consideration here
20 is important, and the efficiency of proceeding in these cases
21 in an orderly fashion. As was previously pointed out, the
22 language in the conditional objection and the notice
23 procedures is confusing. It says, we might at some point need
24 to bring this conditional objection to your -- to your claim
25 that you have filed in the Title III cases if the Court makes

1 certain findings.

2 I'm not sure what I would do with that if I received
3 it in the mail. I would not know. Should I participate? Do
4 I need to participate? What if I don't participate? What
5 does this mean?

6 There's no harm to the GO Group in deferring this, in
7 deferring consideration of the conditional claim objection.
8 In fact, it may be better for them. It will be better for
9 everybody if it is deferred until a time that the facts and
10 the legal basis for it actually materialize.

11 If Your Honor has no further questions about our
12 brief or in connection with this, then I have nothing further.

13 THE COURT: Thank you, Ms. Wolf.

14 MR. MORGAN: Good morning, Your Honor. Again, for
15 the record, Gabe Morgan of Weil on behalf of National. I'll
16 be brief.

17 THE COURT: Good morning.

18 MR. MORGAN: I think our fellow opponents have
19 covered the ground well. I just wanted to state for the
20 record we do not believe the PBA is a sham and also just echo
21 all the arguments that you heard over the past 15 or 20
22 minutes. Thank you, Your Honor.

23 THE COURT: Thank you.

24 All right. I think we're ready for Mr. Stancil
25 again.

1 MR. STANCIL: It's nice to have so many friends, Your
2 Honor. So I apologize --

3 THE COURT: Treasure the moment.

4 MR. STANCIL: I apologize in advance if this wines a
5 bit, but I'm just going to do my best to go sort of seriatim
6 through the objections. I'll start with the punch line, which
7 is they're all wrong or if they're -- to the extent they've
8 made any headway, they're essentially conceding the points
9 that we have made.

10 Let me begin with Mr. Despins and the conspiracy. He
11 may not be invited to it. I will bet you my summer vacation,
12 and regrettably probably everybody's summer vacation, that the
13 plan of adjustment --

14 THE COURT: What summer vacation?

15 MR. STANCIL: Yes. I will bet that we are all going
16 to be here with a plan of adjustment that says that the
17 selectively challenged bonds get way less than other bonds.
18 I'd love to be wrong, but I'll stand by that.

19 Mr. Despins says -- he mischaracterizes our argument
20 as feigned concern about other bondholders being bound. He
21 has it 180 degrees backwards. I'm concerned about other
22 bondholders impairing our defense by claiming they cannot be
23 bound.

24 So let me be crystal clear about that. When we
25 defend the selective claim objection, and we will, not may, we

1 will defend the selective claim objection by saying PBA bonds
2 are invalid if the PBA is a sham. PBA bonds are invalid if
3 the PBA bonds are disguised financings, that pre 2012 GO bonds
4 and PBA bonds are invalid if you adopt their cockamamie theory
5 of the Constitutional debt limit.

6 We will raise these defenses. They will be raised
7 immediately, and they will directly affect the bonds that we
8 are trying to notice here. And it's ironic because what we're
9 trying to do is effectively what Your Honor forced the UCC and
10 the Special Claims Committee to do when they filed the
11 selective claims objection, which was, we're not just going to
12 have a list of the top ten holders of these bonds. We're
13 going to have to give notice to everybody that's affected.

14 Well, we're here to tell you who's really affected,
15 and that's what we're trying to do. We absolutely are going
16 to present these defenses. We believe Your Honor's
17 adjudication of them will foreclose other people's contention
18 to the contrary, subject obviously to appeal rights and the
19 like. But it's not that we're, you know, feigning concern for
20 the bonds that we intend to invalidate if it comes to that.

21 With respect to the chaos argument, I think that's a
22 red herring. What is chaotic is a partial attempt, and you'll
23 note in the claim objection they filed, they reserved their
24 right to go after other bonds. And I've heard not a whit, not
25 one whisper, not a whiff about why we're wrong, about how the

1 logic of the claim objection doesn't apply to these other
2 bonds.

3 We all know it does. And what most of the folks here
4 who are cross holders are waiting to see is, well, how sweet
5 is that deal in the plan adjustment, because I might be
6 willing to go along with the targeting of the selective bonds
7 if the pay off is good enough on the other side. That's
8 really what's going on.

9 Let me talk about the limitations period. I cannot
10 for the life of me figure out what that has to do with
11 ripeness. The fact that he needs to file a claim before May
12 2nd doesn't make the claim ripe or unripe. And let notice go
13 out to everybody who's a potential target of these avoidance
14 actions he intends to bring? He's either conceding today that
15 that claim is ripe and therefore he can file an action to stop
16 the limitations period from running, or it's not.

17 So for my money, I would tell those folks not to toll
18 because he's telling the Court today that our conditional
19 claim objection is not ripe, and if it's not ripe for us to
20 bring it, it's not ripe for him to bring an avoidance action
21 based on it. So I just don't know how to -- the fact that he
22 wants to bring it doesn't make a difference.

23 Mr. Kirpalani started with four things, with four
24 rules that he cited for the first time. I'm just going to put
25 the simplest answer first. Every single one of those

1 arguments, and I'm not fully sure I understood them, are
2 forfeited because they were not raised in his objection. So I
3 don't --

4 THE COURT: I think he said that those were sources
5 of authority you had cited, and he cited various paragraphs of
6 your opening brief. And his argument was that --

7 MR. STANCIL: Right.

8 THE COURT: -- as authorities relied upon by you,
9 they are inapposite or ineffective or whatever.

10 MR. STANCIL: Right. He cannot do that for the first
11 time at oral argument. If you don't like something that we
12 cited, if you don't like an argument that we make in our
13 motion, you can't fail to raise the counter-argument in your
14 objection and show up at oral argument and say, surprise. I'm
15 sure he's wrong, and I'm happy to go back and brief why he's
16 wrong and why the -- the sources of authority, but this is
17 precisely why arguments can and are forfeited.

18 But what he's really trying to say, Your Honor, is
19 it's a matter of your discretion. And that's really a tacit
20 concession that there is no constitutional ripeness here,
21 problem here at all. He's saying, well, it's a matter of
22 discretion or prudence, notwithstanding its ripeness, you
23 should delay it. And that's abandoning the constitutional
24 ripeness that everyone at least took a swing at.

25 Let me rebut Mr. Kirpalani's misapplication of Rule

1 14. He says, well, that's when you have an injury in fact and
2 you are then trying to get someone else to pay for it. That
3 is conclusively rejected by the First Circuit case that I
4 cited to Your Honor. There had been no injury in fact. There
5 had been an allegation of injury and there was a third-party
6 counterclaim conditional on the original liability being
7 established. So that's just flat out wrong.

8 And this gets to a point that, I'm not sure if it was
9 Mr. Kirpalani who made it, but I believe he said, could they
10 have brought this action, you know, before the selective claim
11 objection? That's completely the wrong way to look at it.
12 What makes these arguments ripe is the selective claim
13 objection.

14 I think he's probably correct that we couldn't file a
15 declaratory judgment action that says if somebody challenges
16 our bonds on this theory, which we think is wrong but nobody's
17 done it, then we'd like a declaratory judgment that X and Y
18 and Z would happen. I think he's probably right, but it isn't
19 what we have here. We have a selective claim objection
20 seeking to invalidate six billion dollars in debt.

21 It's lengthy. We've been at this for months. We are
22 headed right into the battle. There is nothing remote or
23 hypothetical or contingent about it. We are here, and that's
24 what separates the hypothetical that he created from the facts
25 that are on the ground here.

1 Mr. Kirpalani said that we are jumping to the remedy.
2 That is wrong. That is wrong. We are -- this is a logical
3 predicate to various of the arguments. The conditions that we
4 are -- the claim objection that we have raised is a logical
5 predicate to numerous arguments.

6 The selective claim objection, we started with those
7 three premises. Number one is that the PBA is a sham. Number
8 two is you can retroactively remake PBA bonds as GO bonds.
9 That's not the ultimate remedy. That's step two in their
10 argument. But that's where the conditional claim objection
11 says no, no, no, not so fast. Those can't be -- you can't
12 make sham bonds into valid GO bonds and give the bonds made
13 out of the sham entity the windfall of not only being made
14 into super, you know, GO bonds, but then get the benefit of
15 invalidating subsequent GO bonds.

16 And just so Your Honor is clear how all the math will
17 work, and if we get to this point, we will have, I'm sorry to
18 tell you, spreadsheets upon spreadsheets that explain how the
19 debt limit was calculated correctly at each point in time.
20 But if the PBA bonds were a sham, we will argue, then they're
21 gone. They don't have a claim against the Commonwealth.

22 THE COURT: I understand that that's --

23 MR. STANCIL: Right. So it's not a remedy. It's the
24 logic of whether our bonds are even going to trip the debt
25 limit. So it's a liability. These are threshold questions to

1 liability.

2 The confusing point has been made --

3 THE COURT: I think I heard the wrong relief
4 requested argument, at least as articulated by Ms. Miller, as
5 being an invitation to join in a separate contested matter
6 that's denominated as a --

7 MR. STANCIL: Yes.

8 THE COURT: -- conditional objection rather than
9 offering some path directly into the Oversight Board's
10 objection to the 2012 and 2014 bonds, or a seat at the
11 litigation table in 18-149 is the wrong way at getting at what
12 she understands you're getting at, trying to get at.

13 MR. STANCIL: Yes, Your Honor. And I think that's a
14 fair concern, but let me tell you how I think it should be
15 addressed. This was our best attempt to give notice to
16 everybody, because it actually is effective notice to all
17 affected parties, and it's as broad as possible. But I've not
18 heard the Special Claims Committee -- well, we haven't heard
19 from them at all, but we haven't heard from them or the UCC
20 with respect to whether we're going to have the ability to
21 join necessary parties.

22 Will Mr. Despins stipulate that we'll have the rules
23 of adversary proceedings apply to his selective claim
24 objection? I don't know.

25 THE COURT: Well, whether he stipulates it or not,

1 | you have an ability to make a necessary parties application or
2 | motion to me, and I mentioned that in your first three minutes
3 | of speaking when you were up first.

4 | MR. STANCIL: Yes.

5 | THE COURT: There are inflection points in these
6 | litigation vehicles that still seem to me to be likely to be
7 | more appropriate than this particular inflection point is.

8 | MR. STANCIL: I'm happy to hear that Your Honor will
9 | be tentatively receptive to those --

10 | THE COURT: I didn't say I'd grant it, but --

11 | MR. STANCIL: I know. I understand. I tried to
12 | hedge while locking you in as much as I thought I'd get away
13 | with. But I didn't hear Mr. Despins acknowledge that we can
14 | do that. I didn't hear any of my adversaries acknowledge that
15 | we could do that. And so you can't say here, well, this is
16 | premature and rely on the fact that maybe we can do it later
17 | and then come back and say, well, you can't do it later
18 | either. Well, we'll get to -- and this is weeks away, Your
19 | Honor.

20 | THE COURT: You can't require your opponents to
21 | commit not to oppose your motions. Just --

22 | MR. STANCIL: Right. But I can require them to be
23 | logically consistent. And what we're going to hear in three
24 | weeks, Your Honor, when we start debating the procedural
25 | proposals, and we'll be regrettably back here if we can't

1 resolve this, we're going to hear no, no, no. We can't raise
2 these questions as to whether PBA bonds are sham bonds and
3 have to be invalidated. We can't hear that until much, much
4 later. We're not going to see that question. And, Your
5 Honor, that's what's prejudicial to us.

6 And so this was to one of the final points made.
7 There's absolutely prejudice to us, Your Honor, because they
8 have circled the bonds that they'd like to target, and they've
9 said we're going to leave these, guys. We're going to use
10 this as the justification for trying to impair one slice of
11 it, logically coherent or not.

12 And we're going to be in this position over and over
13 and over again in the sequencing of this case. And that's why
14 we felt the only proper way was to come to Your Honor and say,
15 here's what we're going to say. There's no mystery.
16 Everybody knows what it is. Here's who it affects. There's
17 no mystery. Everybody knows. Let's at least give proper
18 notice and give proper opportunity for people to participate.

19 I would like to respond to Mr. Kirpalani's point that
20 we're trying to take people down with us. This is a
21 fundamental mischaracterization. That's not correct.
22 Actually, if they go down this road, they go down instead of
23 us. So if you can invalidate these bonds on this theory, you
24 have to do it according to their logic, starting as early as
25 2009, 2010. And like I said, if these bonds go out, then the

1 other bonds do survive. And that's really what's going on
2 here.

3 Last, Your Honor, if I may, it was suggested that --
4 I think by Ms. Miller that we would have law of the case for
5 some of these questions. And then I believe I heard her start
6 to hedge and say, yeah, but people would have arguments about
7 whether that law of the case would actually apply there.
8 That's precisely the point that we're making.

9 We can tell you, because we're here, we know exactly
10 where we're going. These are the questions that will be
11 litigated. And you either are depriving the people who are
12 affected of notice and opportunity to be heard, or you're
13 giving them wiggle room to claim later that if these questions
14 don't turn out the way they want, that they're not bound by
15 them. And that's deeply unfair to us, Your Honor.

16 THE COURT: Well, the participation notice procedures
17 are queued up in the existing procedures as ways for people to
18 identify themselves as interested in being on special -- we
19 used to call them Listservs, and have the opportunity in some
20 way to have a voice in negotiations. It's not a defendant
21 class action. I mean, if you're talking about legally binding
22 every single member of a potential group, you don't just ask
23 them if they want to get a letter every once in a while.
24 There is a Rule 23 procedure, which I haven't been asked to
25 invoke in connection with these contested matters, and you

1 talk about complicated.

2 But again, it doesn't seem to me that what you're
3 proposing here is a vehicle for achieving what you're saying
4 you want to achieve, even leaving aside the ripeness or
5 hypotheticality issues that have been raised.

6 MR. STANCIL: Respectfully, Your Honor, I disagree,
7 for two reasons. The first is the procedure that we are
8 offering would give people the chance to voluntarily come in,
9 so it's better -- it's certainly better than nothing. And
10 what they are proposing is nothing.

11 So in terms of who is bound and how effective these
12 initial proceedings will be and how binding they will be, more
13 notice is better than less notice even if it's not perfect.

14 But secondly, Your Honor, as I alluded to, I think
15 there will be substantial arguments on a virtual
16 representation theory. I don't think anybody who's in front
17 of Your Honor certainly has any hope of not being bound
18 whether they are here with their GO hat on or their PBA hat
19 on.

20 I don't think any of those people have hope of not
21 being bound, but I think it will be a knock down drag out
22 fight as to whether we can go through what might be months,
23 years of litigation, and then have people come up and say,
24 well, Your Honor, I was never involved in these proceedings
25 and so I get a fresh bite at the apple.

1 The chaos here is kicking the can down the road until
2 we get to that point, Your Honor. And I know it seems
3 daunting, but the fact that -- and it's been suggested that
4 these are confusing and no one knows what to make of it. We
5 had no shortage of lawyers showing up here today to tell you
6 how they feel about this. I think it will be as clear as we
7 can make it, what's really at stake with the selective claim
8 objection.

9 THE COURT: Thank you.

10 MR. STANCIL: Thank you, Your Honor.

11 THE COURT: The Court will reserve decision on this
12 matter.

13 I'm told that the representative of National has
14 arrived in New York to speak to the PREPA Extension Motion and
15 that there is also an attorney, Mr. Mashberg, from Proskauer
16 to respond, to speak on behalf of Proskauer.

17 And so, for efficiency, is that Mr. Berezin?

18 MR. BEREZIN: It is, Your Honor.

19 THE COURT: All right. Mr. Berezin, would you please
20 go first? And good morning. Thank you for coming down.

21 This is as to PREPA.

22 MR. BEREZIN: Thank you, Your Honor. Robert Berezin,
23 Weil, Gotshal & Manges, on behalf of National Public Finance
24 Guarantee.

25 Your Honor, the context for this latest extension

1 request is really critical to determine whether it should be
2 granted and the basis for National's deep concern over these
3 extensions. The receiver motion presents an urgent question.
4 That question is whether PREPA needs a receiver immediately to
5 remedy gross mismanagement that continues to haunt PREPA, the
6 people of Puerto Rico, and all other creditor stakeholders of
7 PREPA.

8 All PREPA bondholders, Your Honor, and indeed all
9 stakeholders need this question answered and answered
10 immediately. Otherwise, there will be at most the appearance
11 of plan progress in this case, because questions over
12 feasibility will continue to haunt this case. We need to know
13 whether or not PREPA has to have a receiver.

14 We believe of course that PREPA absolutely needs a
15 receiver. We are not bringing this motion and have not
16 brought this motion for short-term gain. We have not brought
17 this motion for rate increases. What we have done is brought
18 this motion to finally rid PREPA of the gross mismanagement
19 and undue political interference that has a long and sordid
20 history. Nor is this extension, Your Honor, a short request.

21 These negotiations began almost a year ago, and from
22 the beginning, National, which is the largest creditor of
23 PREPA, has been systematically excluded from the negotiations.
24 Excluded precisely because it has insisted from the start that
25 any deal for PREPA, in order for it to be a lasting and

1 feasible deal, has to address the problems at PREPA.

2 So for all of that time, up until just about a month
3 ago, no negotiations whatsoever have occurred with National.
4 And it was only in the -- with the hope of negotiations
5 finally occurring with National, that National agreed to two
6 brief extensions. Unfortunately, Your Honor, the problem of
7 the unfair process, from National's perspective, has
8 continued, and it has continued to be excluded.

9 In the meantime, it is clear that there is no reason
10 why the receiver motion and the various plan negotiations
11 cannot proceed in parallel. And indeed, they must proceed in
12 parallel, for exactly the reasons I said earlier. The fact is
13 --

14 THE COURT: Mr. Berezin, may I interrupt you?

15 As I understand it, the motion that was made last
16 night would put the briefing out, briefing deadlines and
17 depositions out a week, and put the argument on your motion
18 out, by reason of my schedule, two weeks to possibly three
19 weeks.

20 They do intend, as I understand it, to bring a
21 separate motion to stay further the receiver Lift Stay
22 Application, but that would be something separate and I gather
23 is contingent on them actually achieving critical mass with
24 the RSA. And so what we're talking about here is moving out
25 the timing for that short period of time, not the question of

1 whether the Lift Stay receivership motion should be stayed
2 entirely pending the processing of the RSA and plan.

3 MR. BEREZIN: Your Honor, that's correct that the
4 extension that's been asked is a one-week extension, but what
5 is to prevent that one-week extension from becoming yet
6 another extension and another extension and another extension?

7 THE COURT: Me.

8 MR. BEREZIN: In the meantime, no progress is being
9 made.

10 THE COURT: I'm hearing your argument today. If I
11 end up granting the extension today, I will hear an even more
12 passionate argument if they ask me for another week. And I do
13 have the responsibility of deciding when long is too long, and
14 I take that quite seriously.

15 And I realize the question of whether long is too
16 long is up before me today, and I'm hearing your argument on
17 that. But what I'm saying is that my decision point is not a
18 forever point at this point. It is another short extension.
19 So I don't need to hear today about what would happen if I
20 never let your motion go forward, because that's not the
21 decision that I'm making today.

22 MR. BEREZIN: We understand, Your Honor. And we do
23 appreciate your consideration of our objection, and we hope
24 that if any extension is granted, it will be limited.

25 THE COURT: And before you leave the podium,

1 Mr. Berezin, if an extension were granted, what would be your
2 preference: Staying here longer in connection with the June
3 Omni or addressing the hearing in New York the following week?

4 MR. BEREZIN: The sooner the better for us, Your
5 Honor.

6 THE COURT: So you'd be voting for in conjunction
7 with the Omni?

8 MR. BEREZIN: That's correct, Your Honor.

9 THE COURT: All right. Thank you.

10 MR. BEREZIN: Thank you, Your Honor.

11 THE COURT: Thank you.

12 I will hear from Mr. Mashberg now.

13 MR. MASHBERG: Yes, Your Honor. Good morning. It's
14 Gregg Mashberg from Proskauer Rose on behalf of the Oversight
15 Board.

16 I don't think I need to belabor the issues that have
17 been presented this morning, nor in the prior motions. I'm
18 not going to get into the underlying issues of the Lift Stay
19 Motion and the Request for Receiver. I don't think that's the
20 relevant point.

21 The relevant point is that a great deal of progress
22 has been made among the Oversight Board, PREPA, and Assured
23 and the Ad Hoc Bondholders, which will hopefully come to
24 fruition. We hoped it would happen this week. We hoped it
25 would happen last week. We are very hopeful it will happen

1 next week, and that the next steps in this process can be
2 made. That is, filing a 9019 and the Stay Motion that Your
3 Honor referenced.

4 We're doing this in the utmost good faith. This is
5 hard stuff. There are very difficult issues, and we've made
6 tremendous progress. And we're very hopeful that it's all
7 going to come together next week. I can't promise, but I'm
8 very, very hopeful that's exactly what will happen.

9 There have been many extensions granted prior to this
10 last month when we've been here seeking extensions because of
11 the negotiations on the RSA. The motion was filed in October.
12 Another week is what we're talking about now. And Your Honor
13 will certainly keep our feet to the fire. If we were to come
14 back, I'm not saying that we would, but if we were to come
15 back, there's no question that Your Honor would preside over
16 any objection that National would make. And we would have to
17 justify anything that we had to do.

18 But right now, Your Honor, all we are seeking is one
19 more week extension to extend all the deadlines that are
20 presently in existence. So I'm not going to get into the
21 underlying issues in terms of the following stay motion and
22 what that's all about. I'm not sure Your Honor wants to hear
23 that. I could answer questions about that, but I don't think
24 that's what Your Honor wants to hear this morning.

25 So we believe that we need this one week, and we are,

1 fingers crossed, very hopeful that we will come back to the
2 Court next week and say that there is an RSA that has been
3 concluded. If Your Honor has any questions, I'd be happy to
4 address them.

5 THE COURT: I don't. Thank you very much.

6 MR. MASHBERG: Thank you, Your Honor.

7 THE COURT: Thank you.

8 Having heard these arguments, the motion which is
9 docket entry number 1203 in case 17-4780 is granted. The
10 request for a one-week extension of each of the briefing
11 deadlines and the deposition period is granted. And the
12 hearing on the Lift Stay Application is adjourned to June 13
13 to continue, if necessary, on June 14th in conjunction with
14 the Omni.

15 And an Order will be entered reflecting those
16 provisions. If my chambers hasn't been provided with a Word
17 copy of the Proposed Order in conjunction with the Urgent
18 Motion, please do that promptly through the e-mail address.

19 All right. So I think we can take one more matter
20 before lunch, which is the Oversight Board's tolling motion.
21 And that is number 6118 in the 3283 case, Agenda Item IV.4.

22 And I understand that my first speaker is
23 Mr. Weisfelner.

24 MR. WEISFELNER: Yes. Thank you. And I think it's
25 still the morning. Good morning, Your Honor. Good morning,

1 Judge.

2 THE COURT: Good morning.

3 MR. WEISFELNER: Your Honor, as Your Honor has
4 indicated, this was the motion filed by the Oversight Board
5 and the Special Claims Committee back on the 2nd of April.

6 THE COURT: Mr. Weisfelner, I have you down for 15
7 minutes. Are you reserving time for reply?

8 MR. WEISFELNER: I'll take three minutes.

9 THE COURT: All right. We'll clock you at 12 now,
10 and save three for reply.

11 MR. WEISFELNER: Thank you, Judge.

12 THE COURT: Thank you.

13 MR. WEISFELNER: I think it's important to stress
14 that the target here or the issue here is the potential to
15 seek what I'll refer to as clawback of principal and interest
16 payments made on a whole series of bonds. We have the bonds
17 that were subject to the joint objection, sometimes referred
18 to as the selective objection, that targeted the 2012 and 2014
19 GO bonds. We have the objection filed by the Official
20 Creditors Committee that targets the ERS bonds. And maybe we
21 have the conditional objection that targets a whole bunch of
22 other bonds.

23 The point is that we are looking at the potential for
24 billions of dollars in principal and interest payments on
25 challenge bonds during a four-year look back period alone.

1 And the cause of action to claw back, we all acknowledge, is
2 dependant on the outcome of the challenge to the bonds
3 themselves.

4 We ran into the problem that there is no indentured
5 trustee, or for that matter, a paying agent on either the 2012
6 or 2014 GO bonds, which was the subject of our objection. And
7 it has become and proven to be quite a laborious process to
8 get the names of beneficial holders who actually received
9 periodic interest or principal payments.

10 Our discovery motion was granted, first in part and
11 then, as I understand it, ultimately by Magistrate Dein,
12 calling for production of the beneficial holders' names on a
13 rolling basis, to conclude before the running of the statute.
14 And I'm not sure -- I'll be corrected by one of our colleagues
15 if I'm wrong -- that focus is primarily on the GO bonds that
16 were the subject of our objection.

17 We've yet to get a good handle on the ERS bonds,
18 which do have a longer Statute of Limitations, to say nothing
19 of the additional bonds that are the subject of the
20 conditional objections. And Your Honor, I understand why the
21 objectors, the bondholder groups that are here are opposing
22 the relief requested, because in many cases, their members
23 could have been the recipients of principal and interest
24 payments on these bonds, which again may be subject to
25 clawback if the underlying bonds are ultimately declared

1 invalid.

2 Your Honor, the case law, as our opponents have quite
3 rightly pointed out, require that, for an equitable tolling to
4 be granted, you need extraordinary circumstances, you need a
5 demonstration of diligence by the movants. And the objectors
6 suggest that the Oversight Board and its Special Claims
7 Committee haven't demonstrated either extraordinary
8 circumstances or the requisite amount of diligence.

9 Your Honor, I beg to differ. In the first place, I
10 think it's worth noting that the Special Claims Committee
11 retained my firm as counsel in November of last year. And
12 since that point in time, when we were asked to assist the
13 Committee, the Special Claims Committee, to investigate
14 potential Commonwealth causes of action based on the Kobre &
15 Kim report, we were, I think, if I do say so myself, extremely
16 diligent, but we were diligent in the context of attempting to
17 prioritize the various work streams from the perspective of
18 the greatest potential value to the Commonwealth and its
19 interested parties.

20 So, in the first place, we asked for documents that
21 were on deposit with AAFAF. I think to date we've probably
22 only got about 40 percent of the documents that we asked for,
23 and at that, we're looking at over 80,000 documents that, over
24 the course of the last five months, we've been analyzing.

25 We worked together with the UCC to peruse records and

1 identify what we commonly refer to as the garden variety
2 preferences and fraudulent conveyances. These are payments
3 made within the 90-day or four-year period before the filing.

4 Again, we went to AAFAF to get the info, and it was a
5 staggering exercise. 1.2 million individual payments to over
6 141 thousand unique vendors, with a total dollar amount of
7 11.8 billion dollars of potential claims subject to avoidance
8 recovery. That's only when the hard work began.

9 We had to back out governmental bodies, other
10 debtors, Commonwealth instrumentalities and agencies. We
11 didn't want to run a circus where we were merely roundtripping
12 money from the recipient back to the Commonwealth, which would
13 have to come from the Commonwealth in any event. But that
14 only got us down to about a thousand payments.

15 And then, between us and the Committee, who were the
16 original proponents of the 2004 investigation, we decided that
17 you have to have a cut-off, a dollar amount below which you're
18 not going to pursue recoveries. And our initial cut-off was a
19 million dollars. That brought us to 360 thousand payments, to
20 over a thousand vendors, and we were still targeting over nine
21 billion dollars of potential recoveries.

22 The amount of work that was then undertaken by both
23 the Committee, the Official Committee and the Special Claims
24 Committee, again was monumental. We identified and reviewed
25 the payments based on a number of red flags. Excessive

1 payments that were made in a short period of time that greatly
2 exceeded the amount of payments that were made to these same
3 vendors over a longer period of time. We looked at negative
4 public information about the vendors. We looked to see
5 whether or not contracts had been registered on the
6 Commonwealth's contract database. I won't go through all of
7 the issues.

8 THE COURT: I think that's a good illustrative
9 sampling.

10 MR. WEISFELNER: Okay.

11 THE COURT: And I would like you to address the case
12 or controversy issue that was raised by some of the opponents.
13 And I think I'd like to sort of queue up that question by just
14 getting some precision as to what precisely you're seeking.

15 If I granted your requested relief, would it be that
16 future challenged bond avoidance defendants would be precluded
17 from raising the Statute of Limitations as an affirmative
18 defense?

19 MR. WEISFELNER: They would, Your Honor. However,
20 they would have the opportunity to argue that the equitable
21 tolling that was granted was improvidently granted.

22 So I guess the answer to your question is yes and no.
23 They'd be precluded from arguing that the Statute of
24 Limitations had expired, but I guess they'd be -- they would
25 be entitled to argue that equitable tolling didn't apply

1 either generally or specifically to their situation. So yes,
2 they'd preserve that right.

3 THE COURT: And why shouldn't it be that they can
4 raise or not raise the Statute of Limitations defense, and the
5 plaintiff entity, the debtor, have the responsibility at that
6 time to convince me that circumstances warranted equitable
7 tolling?

8 I'm just, frankly, not familiar with authority that
9 let's me shift the burden and make this blanket determination
10 as to unknown and as yet unsued defendants.

11 MR. WEISFELNER: Well, again, Your Honor, I think
12 this goes back to the case law that underlies the whole
13 doctrine of equitable tolling. Putting aside the diligence
14 issue -- and, Your Honor, I had pages of additional detail
15 about the amount of work that we and others have been doing in
16 this case to support that we have been as diligent as we can
17 under the circumstances. The extraordinary circumstances that
18 we face is there is no reason to pursue the clawback,
19 principal and interest recoveries on potentially invalid
20 bonds, unless the bonds are declared invalid.

21 As some people predict -- and I'm not betting my
22 summer vacation on whether Mr. Stancil was right or wrong, but
23 there may very well be an opportunity for the Commonwealth,
24 through the Oversight Board, to attempt to resolve the issue
25 of the validity of the bonds in the context of a plan of

1 reorganization. If that were to happen, this litigation may
2 never occur, may occur in a much more limited fashion, may be
3 pursued by someone other than the Commonwealth under a plan of
4 reorganization where the claims are used as consideration for
5 getting to an ultimate deal.

6 Those are extraordinary circumstances, and in the
7 absence of a tolling agreement, an equitable toll, we would be
8 forced in our role as preserving claims, to commence actions
9 against literally thousands of recipients of principal and
10 interest payments, knowing all along that the likelihood of
11 having to hall them into court is dependant on any number of
12 future events occurring, and may never occur as a consequence
13 of a potential settlement.

14 What we're looking to do is preserve the resources of
15 the Commonwealth, so that we don't have to prophylactically
16 file as many complaints as we can, or as many jumbo
17 complaints, jumbo in the sense of how many defendants we're
18 talking about, as we can, all in less than a week, when
19 frankly, there are a lot of other focuses of our attention
20 that we think are much more meaningful in terms of either
21 preserving resources of the Commonwealth or generating
22 actually affirmative recoveries.

23 And again, I think the objections that you've heard
24 are coming from people that don't ever want to be exposed to
25 that, either as a --

1 THE COURT: I certainly understand that. But do you
2 have any precedent where this sort of -- recognition of this
3 sort of circumstance as an extraordinary circumstance?

4 The cases that you cited are single plaintiff cases
5 where an issue has been joined on the question of Statute of
6 Limitations. And, you know, I just -- I don't see precedent
7 for this sort of vehicle.

8 MR. WEISFELNER: And, Your Honor, I think, as
9 virtually everyone in this courtroom would agree, Puerto Rico
10 is sui generis. And no, we have not identified any cases with
11 facts and circumstances that come close to the facts and
12 circumstances here. We're only arguing by analogy.

13 THE COURT: And generally, extraordinary
14 circumstances warranting equitable tolling are ones that are
15 created by the defendant in some way. So what, if any, fault
16 on the part of these potential defendants contributed to these
17 extraordinary circumstances?

18 MR. WEISFELNER: And the only thing I can point to,
19 Your Honor, and again, the word fault perhaps doesn't fit that
20 aptly, but the ability for us to ultimately trace who the
21 beneficial holder is, did, as part of the process, require us
22 to go to the street names. And for a long time, before
23 Magistrate Judge Dein entered her Order, we were having a
24 difficult time with the streets in terms of complying with our
25 discovery requests in a timely fashion, giving us the

1 information without a whole bunch of provisions and bells and
2 whistles that protected the identity of the ultimate
3 beneficial holders, all of which we've agreed to comply with.

4 To this day, I will tell you that having spoken to
5 many of the street names, and notwithstanding the entry of
6 the Order that we sought from Judge Dein, we are told that
7 there are any number of street names that simply will not be
8 able to comply with the deadline. Come whatever, you know,
9 damages or consequences they suffer, they literally can't get
10 it done, which means, in the absence of this tolling
11 agreement, our choices are going to be to name as many
12 beneficial holders as we possibly can, seek to amend our
13 Complaints as more information becomes available, all of which
14 seems to us, in the context of a unique situation, could be a
15 humongous waste of time, energy and Commonwealth resources on
16 claims and causes of action that may never get prosecuted but
17 the value of which we feel we have an obligation to preserve,
18 because we're talking about extraordinarily large dollar
19 amounts.

20 That's really all I had, Your Honor.

21 THE COURT: Thank you.

22 And so I have Mr. Bennett wishing to speak for five
23 minutes.

24 MR. BENNETT: Your Honor, I'm rising to speak just in
25 connection with the request in so far it effects ERS. And as

1 Your Honor recalls, when you go back to the original motion,
2 there was no reference separately to ERS at all. And when we
3 got to the Reply, the argument of the Oversight Board was
4 somewhat repeated by Mr. Weisfelner. It said, this is about
5 priorities. This is only part of it that addressed the ERS.

6 The priorities they cited were activities in cases
7 other than the ERS case. They talked about the COFINA
8 settlement. They talked about other negotiations. They
9 talked about the GDB. And Mr. Weisfelner also stood up here
10 and said something about focuses of attention and
11 prioritization of effort after he was appointed in November
12 2018.

13 I have two points really in response to that. One
14 relates to the point generally and one relates specifically to
15 ERS. Let me talk about the point generally this way. The
16 statute, PROMESA, does not say to the Board do A, do B, do C.
17 And if it did, if that was the statute we were dealing with,
18 it would be okay for the Board to pick and choose among
19 priorities, and however they came out would be fine.

20 Here's the statute we do have. Do A before the
21 second anniversary of the petition date. Do B and do C. And
22 of course that's a vast oversimplification of a great big
23 statute. But the point is, as to the commencement of certain
24 actions as distinguished from many other jobs assigned to the
25 Oversight Board, there was a deadline. And the idea that

1 giving priority to many other things and running out of time
2 with respect to the one thing as to which the statute told the
3 Board this gets done by a particular date, that's actually not
4 a basis for equitably tolling a time period. Particularly a
5 time period, by the way, that doesn't have an extension
6 provision.

7 I mean, Your Honor knows, I know that the drafters of
8 the Bankruptcy Code and the drafters of PROMESA, both being
9 relevant because we're dealing with an incorporated provision,
10 knew how to write a provision saying here's the deadline, you
11 can extend it with good cause, or some other standard. And
12 that of course doesn't apply to the two-year Statute of
13 Limitations either.

14 I would also say there are very good reasons why that
15 is the case. Many people are affected by bankruptcy cases.
16 Many people are entitled to go on with their lives and plan
17 things. They're entitled to know at certain points in time
18 how they're going to be affected by certain proceedings.

19 This is not just a business point as to ERS bonds.
20 There are many that are held by retirees I understand.
21 Retirees are allowed to understand whether they should be
22 saving up money because they might have to pay it back or
23 whether they can go on with their lives. So this is not an
24 irrational provision at all.

25 Now, as to ERS, there's been no cause for any

1 equitable tolling stated in this courtroom or any of the
2 papers at all, because in the case of ERS, we know that no
3 later than November 2017, the Oversight Board and AAFAF had
4 identified the idea that they were going to challenge the ERS
5 bonds. We don't think much of that challenge, but it's been
6 hanging around in public in November 2017. I don't know when
7 they first thought of it.

8 That, by the way, is about a year before
9 Mr. Weisfelner was even hired. I don't understand why that
10 would support the idea of equitable tolling; that, oh, he got
11 hired in a year later and then he started doing things.

12 And by the way, we have no evidence about any of the
13 due diligence that was done about anything, except that we
14 know that it was selective and prioritized. Once again,
15 intentional decisions as to what to do, what, when, as opposed
16 to unavoidable problems.

17 Mr. Weisfelner's effort to testify from the podium
18 doesn't solve that problem, nor does the fact that he may have
19 a stack of papers back at his office. There wasn't a single
20 declaration filed by anybody. There were lots of allegations
21 in motions that may or may not be capable of proof. No one
22 made a single effort to prove them.

23 So back to ERS, nothing happened, based upon the
24 record between November 2017 and November 2018. After 2018,
25 we don't know what happened, but we know choices were made and

1 they wound up in a difficult spot. We know that, as to the
2 Board's lack of attention to this, it was distracted by things
3 going on in COFINA. It may have been distracted by things
4 going on at GDB. It may have been distracted by things going
5 on at the Commonwealth. It did not mention a single thing
6 happening in the ERS case that was distracting their attention
7 from bringing actions timely in the ERS case.

8 And, oh, by the way, they found time to bring lots of
9 other litigation in the ERS case, but just for some reason,
10 not this. And they want an extension forever. It's two
11 separate cases -- or excuse me, there are multiple separate
12 cases, but it's between the Commonwealth and ERS, as we made
13 the point several times.

14 They are two completely separate cases. The
15 Oversight Board is representative of both. They have duties
16 to both. They're supposed to comply with the law in both.
17 They're supposed to meet a deadline in the ERS case. There is
18 nothing about what happened in the ERS case or, for that
19 matter, in the Commonwealth case that prevented them from
20 doing so.

21 Your Honor should not be granting a blanket
22 extension. In fact, we would submit it is a totally lawless
23 request. Thank you.

24 THE COURT: Thank you.

25 And so I understand that Mr. Hein would like to be

1 heard from New York. Would Mr. Hein come to the podium?

2 MR. HEIN: Yes. Thank you, Your Honor.

3 THE COURT: I'm going to set the clock for five
4 minutes.

5 MR. HEIN: Yes. Your Honor, there is no express
6 statutory provision authorizing the tolling that's requested
7 here that's been invoked. FOMB asserts the Statute of
8 Limitations needs to be equitably tolled because, to quote
9 their Reply, quote, the total number of potential challenged
10 bond avoidance defendants is likely in the tens of thousands.

11 There is, I submit, Your Honor, nothing equitable
12 about tolling the Statute of Limitations to allow FOMB, the
13 UCC to hold threats of litigation over the heads of tens of
14 thousands of individual bondholders. And individuals are a
15 target here. A hedge fund that bought Puerto Rico bonds after
16 PROMESA was enacted and after Puerto Rico defaulted, they
17 didn't receive payment of interest. It's individuals who
18 bought the bonds in good faith, based on Puerto Rico's
19 attestations pre-PROMESA, who received interest payments who
20 are being targeted here.

21 And I respectfully submit, Your Honor, there's
22 nothing equitable about the FOMB and the UCC spending money on
23 which these bondholders who bought pre-PROMESA should have a
24 first claim in their attempts not only to invalidate six
25 billion in bonds, but now to try to get the interest back and

1 recoup the interest. There is I submit -- if equity means
2 anything, it means Puerto Rico cannot be permitted to start
3 suing people. You talk about fault? The only fault would be
4 believing Puerto Rico's attestations that it was in compliance
5 with its own laws and Constitution. And I submit that does
6 not constitute fault justifying equitable tolling as a matter
7 of law.

8 One other consideration. I've objected to the
9 failure to provide actual notice of this tolling motion to
10 bondholders. Even though Puerto Rico, the FOMB, they have a
11 claims agent, Prime Clerk, they have the e-mails and addresses
12 of individuals who have filed claims or notices of
13 participation, yet they have not given a notice of this
14 motion. I think that goes to lack of diligence and also to
15 lack of equity.

16 FOMB says, well, they've complied with the case
17 management procedures, but I submit that when they have failed
18 to do what simply could have been done through Prime Clerk,
19 that that invokes the considerations, the lack of diligence
20 and lack of equity I speak to.

21 I believe that all individuals are entitled to
22 advance notice before a motion of this nature is presented or
23 heard. I think due process requires that. And if time does
24 not permit notice, I submit the FOMB and UCC have no one to
25 blame but themselves.

1 And for the record, Your Honor, I also want to be
2 clear that I object to the discovery efforts that are
3 occurring. The FOMB motion, docket 6413, was filed on April 8
4 without any objection deadline being specified. And the next
5 thing I see is that, in fact, an Order's been granted entering
6 it.

7 I just want to be clear on the record that I object
8 to any revelation of any of my information to the FOMB or UCC
9 without actual advance notice being provided and an
10 opportunity to object.

11 Thank you, Your Honor.

12 THE COURT: Thank you, Mr. Hein.

13 Did anyone else wish to be heard in opposition?

14 All right. I don't see anyone else standing up, so
15 we're back to Mr. Weisfelner.

16 MR. WEISFELNER: Your Honor, if I may, two points
17 with respect to Mr. Hein's argument, and then I want to
18 address the other objections that we heard from Mr. Bennett.

19 From Mr. Hein's perspective, if I could give due
20 process, sufficient notice of an equitable tolling motion, I
21 wouldn't need an equitable tolling motion because I'd use that
22 same list to just send out tolling agreements. And if I
23 couldn't get tolling agreements, I'd use the same list to sue
24 them.

25 The other thing is that we have been talking to the

1 rest of the Board, as well as the Official Creditors
2 Committee, about some reasonable cut-off, some threshold of
3 receipt of funds in the form of principal and interest, if we
4 ever get there down the road, below which we would never
5 pursue those claims, because it just wouldn't be cost
6 effective. And my guess is, from the perspective of
7 individual small bondholders, as opposed to institutional
8 holders, that will be welcome news if, again, we ever get to
9 that point.

10 Mr. Bennett seems to think that, you know, what
11 PROMESA tells you to do is focus on Statute of Limitations
12 that are about to expire. That's all we've been doing is
13 we've only been looking at claims and causes of action and
14 preserving claims and causes of action that have a statute
15 that's expiring.

16 For example, we've done an inordinate amount of work
17 on third party claims, so-called underwriters and their
18 professional claims, which you'll hear a little more about
19 later today. We've done an inordinate amount of work on the
20 garden variety preference claims which have a Statute of
21 Limitations. And everything we've done has been with regard
22 to the Statute.

23 So we've looked at what PROMESA implies, focusing
24 first on statutes. But within the claims that are subject to
25 the running of statutes, we had to prioritize in terms of what

1 would be cost effective, what would be a return to the
2 Commonwealth that made this action worth pursuing.

3 ERS has a separate issue. It has a longer statute.
4 But here's the bottom line. I think in connection with two of
5 the motions you've already heard today, or considered, and
6 that is procedures for the conditional objection, procedures
7 with regard to the Committee's objection, the clawback of
8 principal and interest claims, it seems to me that if you were
9 to grant the relief we're requesting, it ought to be for a
10 period of time that runs co-extensive with the amount of time
11 the parties have to come to you with a procedure, hopefully an
12 agreed upon procedure, for how are we going to litigate the
13 challenges to these bonds; how are we going to litigate the
14 challenges, if any, to the principal and interest on those
15 bonds; how are we going to effect appropriate due process
16 notice to everybody involved.

17 I think the whole notion of equitable tolling ought
18 to be co-extensive in terms of timing with that process. So
19 I'm not asking for an open-ended, give us to the end of time
20 to figure out who our potential defendants are and then figure
21 out whether we ever want to sue them, but rather, let's put it
22 where it belongs. And that's in the context of figuring out
23 how are we going to litigate in a constructive, meaningful,
24 intelligent, coordinated fashion the legal issues that we may
25 require Your Honor to pay attention to and resolve for us, if

1 we can't resolve them amongst ourselves with or without
2 mediation.

3 So for that reason, Your Honor, I want to make sure
4 that you understand our request for equitable tolling ought
5 not last forever, and we would suggest that it be made
6 co-extensive with the parties' obligation to come back to you
7 and explain how we collectively believe the whole question of
8 validity of underlying bonds ought to be litigated in what
9 order.

10 Thank you. Unless you have any questions for me,
11 Judge.

12 THE COURT: No. Thank you.

13 MR. WEISFELNER: Thank you.

14 THE COURT: I just ask that everybody sit quietly for
15 a couple of minutes, because I think I can rule on this before
16 we break.

17 Before the Court is the motion of the Financial
18 Oversight and Management Board for an Order equitably tolling
19 the time prescribed by Section 546 to bring certain avoidance
20 actions. That is docket entry number 6118 in Case No.
21 17-3283, and I'll refer to this motion as the Motion.

22 The Oversight Board requests entry of an Order
23 equitably tolling the time prescribed by Section 546 of Title
24 11 for the Oversight Board to bring avoidance and recovery
25 actions related to payments made on account of certain bonds

1 issued by the Commonwealth, ERS and the PBA. The Court has
2 considered carefully all of the submissions, as well as all of
3 the arguments made in court today.

4 The Court is persuaded that it does not have subject
5 matter jurisdiction of the issue raised by the Oversight Board
6 because no case or controversy is presently before it. The
7 Oversight Board's request for an ex parte, all encompassing
8 Order that would preclude unnamed challenged bond avoidance
9 defendants from asserting the statute of limitations of
10 Section 546 as an affirmative defense with respect to a
11 particular period of time, even if that's limited and
12 coordinated with procedural activity, is not something that I
13 am persuaded is within the Court's power to do.

14 Therefore, the Motion is denied without prejudice to
15 any party's position regarding the statute of limitations and
16 equitable tolling in the context of any particular adversary
17 proceeding or contested matter of which the Court does have
18 jurisdiction; and the Court will enter an Order accordingly.

19 Is there anything else short that we should take up
20 in the next eight minutes? Can the stipulation come back as a
21 short matter or --

22 MR. DESPINS: We have not had a chance to confer with
23 the parties because they are here in the courtroom, so I don't
24 think we can, Your Honor.

25 THE COURT: All right. Then there's a bonus eight

1 minutes on the lunch break. We will resume at one o'clock.

2 Thank you. Have a good lunch.

3 (At 11:51 AM, recess taken.)

4 (At 1:12 PM, proceedings reconvened.)

5 THE COURT: And so would it be appropriate to start
6 with the stipulation?

7 MR. DESPINS: Your Honor, on that, my colleague is
8 actually inputting some changes that I think would --

9 THE COURT: So the answer is no, we should wait.

10 MR. DESPINS: We're not yet there, Your Honor. So
11 what we were thinking of doing, with Your Honor's permission,
12 is perhaps go over the motion, our Motion for Standing, which
13 is going to take a long time. And go through, if Your Honor
14 wants to, the COFINA -- there's one claim objection, and then
15 there's a motion to appoint a committee of GO holders filed by
16 Mr. Hein that will allow this to --

17 THE COURT: So you want another couple hours?

18 MR. DESPINS: Not a couple of hours, Your Honor,
19 but a --

20 THE COURT: Okay. Good. Then you're anticipating
21 your motion will take a little shorter than we've allocated,
22 and that's a great piece of news. So that's fine.

23 So since you're at the podium, shall we go to Agenda
24 Item IV.5, which is your -- I think of it as your Section 926
25 Motion, but the motion for an order to pursue certain causes

1 of action on behalf of the Commonwealth, which I recognize
2 invokes not only Section 926 but other principles.

3 I have you down for opening remarks of 45 minutes.
4 How much of that is reply?

5 MR. DESPINS: Your Honor, at least 15 minutes of that
6 is reply. So what I would like, Your Honor, is that I will
7 not go over 30 minutes, but if I go less than that, I'd like
8 to keep the balance, the complete balance for reply.

9 THE COURT: All right. Well, we'll run the clock at
10 30 minutes. We'll make a note of what, if anything, is left
11 of the 30 minutes, and then we'll proceed accordingly.

12 MR. DESPINS: Thank you, Your Honor.

13 Your Honor, first, a few preliminary comments. Your
14 Honor, we believe, the Committee believes this is a very
15 important issue for the case, because we're really dealing
16 with what we would describe as potential abandonment of causes
17 of action. And there is no way around that reality because we
18 are so close to the expiration of the Statute of Limitations.
19 And remember, that Statute of Limitations is not only 506, but
20 108 of the Bankruptcy Code.

21 So if we had dealt with this two years ago, it would
22 be a totally different context, but we are dealing with it in
23 the context of potential abandonment. And it's remarkable,
24 Your Honor, that if the Committee had not brought this motion
25 in March, that we wouldn't have heard a word about the

1 abandonment of these causes of action.

2 And I think it's important to first address an issue
3 that has been made by some objectors, that this is an issue of
4 vengeance or something like that. And I want to debunk that
5 myth, because the Committee is not in the retribution
6 business. We are in the collection business. The goal here,
7 and the sole goal is to make the pie bigger for all creditors,
8 because we believe if the pie is bigger, we have a better
9 chance of getting better recoveries.

10 And I want to clarify this as well. The fact that we
11 would be bringing those claims doesn't mean that we control
12 how they're disposed of in the plan. The pie is bigger but
13 the pie will be distributed pursuant to a plan of adjustment.
14 It's not like we get to pocket these distributions because we
15 would be bringing those claims. And frankly, that should be
16 everyone's goal, to make the pie bigger.

17 And there's no doubt that those claims are valuable,
18 Your Honor, because Ambac, which is a very sophisticated party
19 in this case, has stated the fact that they like the claims so
20 much that they want to grab the claims for themselves. And of
21 course we don't think that should happen, because this should
22 be for the benefit of debtors generally, but that gives you a
23 sense of the value of those claims.

24 So in terms of how we're going to proceed today, Your
25 Honor, we're not going to address the technical issue of

1 | whether the Committee is a creditor and all that. We've
2 | covered all that in our Reply. The members of the Committee
3 | are here in the courtroom represented by counsel. They have
4 | claims on file. There's no doubt I think they're creditors.
5 | So if somebody raises that, I'll deal with that on reply.

6 | THE COURT: And a formal joinder was filed offering
7 | up three individual members -- well, three members of the
8 | Committee that are entities, and one I gather is a PREPA
9 | creditor. But you represented that the Doral entity and the
10 | SEIU are Commonwealth creditors, so we have a creditor who is
11 | a movant here.

12 | MR. DESPINS: Correct, Your Honor.

13 | THE COURT: So technical issue one crossed off.

14 | MR. DESPINS: Okay. So in terms of how to proceed,
15 | there are two phases. The first one is Section 305 obviously.

16 | So is Section 305 a bar to this motion? And that is
17 | divided in two issues, which is 926 and derivative standing
18 | generally. It's very clear, Your Honor, the Committee is not
19 | limiting itself to derivative claims. It wants to bring
20 | avoidance actions as well that are available under Section --
21 | or through Section 554 of the Bankruptcy Code. And you can
22 | see that from the Genovese outline that's attached to our
23 | Reply.

24 | And this is a good segue into my introduction of
25 | special counsel for the Committee dealing with claims against

1 underwriters, Mr. John Arrastia from that firm who's here with
2 us today.

3 THE COURT: Good afternoon.

4 I don't remember seeing any application for
5 authorization to retain special counsel. Did I miss
6 something?

7 MR. DESPINS: No, Your Honor. We haven't filed it,
8 because they were just retained I would say last Tuesday or
9 something like that. So I think that generally the practice
10 is that we have 30 days. We don't intend to take 30 days, but
11 we have -- normally it's 30 days to file an application. And
12 we will file that application.

13 And I'll talk in a minute about compensation for
14 them, because that goes to the heart of the issue of is there
15 a cost for the Commonwealth. But I'll come back to that.

16 THE COURT: Now I understand the framework in which
17 you're intending to work, and that is helpful to me.

18 MR. DESPINS: Okay. And I would say just two minutes
19 about this. The Genovese firm, what they do for a living is
20 sue banks and broker-dealers. That's practically all they do.

21 In the *Enron* case, they were co-counsel for the
22 plaintiffs against a number, dozens of banks and securities
23 firms, and they got a settlement of seven billion dollars
24 against these underwriters. And they're already involved in
25 suing broker-dealers on the island as a result of the -- this

1 is on different theory, on behalf of individuals, but with
2 respect to claims against broker-dealers. So they have a lot
3 of familiarity with what has happened here.

4 But in terms of the hearing and how we think it
5 should be staged, the first issue, 305. The second issue,
6 Your Honor, if we survive on one or both of the 305 issues,
7 would be divided in two segments, which is is the Board
8 refusing to bring claims, and second, are the claims we're
9 bringing colorable.

10 And this is where I think, Your Honor, things would
11 be complicated logistically, because we have not, to date,
12 publicly disclosed the claims that the Oversight Board wants
13 to bring, because we're obviously -- the potential defendants
14 are listening to this hearing. We don't want to damage any
15 such claims. And we've also refrained from publicly
16 disclosing in detail the claims we would bring. But you have
17 that, the Board has that --

18 THE COURT: I've read the sealed filings, and I had
19 assumed that you would proceed by being oblique in your
20 references to sealed information in the confidence that I've
21 read the submissions that are currently sealed, at least in
22 advance of the statute of limitations date.

23 MR. DESPINS: Correct, Your Honor.

24 So we'll try our best to navigate that as carefully
25 as possible, although when we get to that stage, it may be a

1 little more complicated. But let me start with the first
2 part, which is Section 305, and the interplay first between
3 305 and 926.

4 I'm not sure this is really disputed by the Board,
5 that 305 cannot be a bar to 926, but to the extent it is --

6 THE COURT: Maybe we can just by hand signal get an
7 indication from the Board's counsel, is the Board contending
8 that 305 is a barrier even to a 926 trustee designation?

9 MR. WEISFELNER: No, Your Honor.

10 THE COURT: All right. Mr. Weisfelner has said no,
11 they're not making that argument. So you don't need to
12 address that.

13 MR. DESPINS: All right. Let's move on to the second
14 issue, which is does 305 act as a bar to seek derivative
15 standing, and that's obviously a more involved analysis.

16 The first point, Your Honor, is that we don't believe
17 that 305 acts as a bar because under the current
18 circumstances, the Board is abandoning the claims that we're
19 seeking to pursue. They're not pursuing them, and they will
20 expire on May 2nd. And if that's the case, the Court is not
21 interfering with the property of the debtor.

22 It's like in the abandonment context where the
23 creditor can basically grab the assets that have been
24 abandoned and --

25 THE COURT: But if you say that the Committee, the

1 Official Committee is taking up a claim, even if you accept
2 the notion for these purposes that it is or would be
3 abandoned, you're still looking at the Commonwealth's
4 resources to finance the pursuit and administration and
5 oversight of the claim; and so why isn't that interference?

6 MR. DESPINS: So let me address that right now,
7 because let me -- there are a bunch of reasons why the
8 Committee went to the Genovese firm. One of them is that they
9 sue banks on a contingency basis. And the Board made a big
10 thing about this is going to be very costly, et cetera, et
11 cetera. So let me put that on the table. They would pursue
12 these claims that are described in the attachment they
13 prepared on a full contingency basis.

14 So therefore, you know, I think that addresses that
15 issue at least largely in the sense we wouldn't have any
16 involvement in that litigation against underwriters.

17 THE COURT: Except obviously if you were appointed as
18 the -- your Committee was appointed as the plaintiff or
19 trustee, I would assume that there would at least be some
20 incremental cost by way of Committee counsel guiding this
21 litigation or is this just --

22 MR. DESPINS: At that point, Committee counsel would
23 be -- on these issues would be the Genovese firm, not us. But
24 yes, obviously we need to coordinate with the Committee. We
25 need to get them organized and all that. So obviously there

1 is some cost, but we're not talking about, from our point of
2 view, material cost in that regard, Your Honor.

3 So that's the first argument, which is they're
4 abandoning those claims. It's not like GDB where they're
5 saying, hey, we're doing a settlement; we're using those
6 claims as part of a settlement. They're not doing that.
7 They're just abandoning it.

8 And it's very important, Your Honor, to talk about
9 one issue. It goes back to Ambac. Ambac has said in their
10 response, we like those claims; they should be brought, but by
11 the way, if they're not brought, we will grab them under
12 Section 108(c) on or after May 2nd.

13 You may say, how is that possible. It's a complex
14 analysis, and I'm not going to defend or advocate for them.
15 They'll speak for themselves. But basically, under 108(c), if
16 an action could have been brought and the debtor abandons or
17 does not pursue it within the timeframe, there's a 30-day
18 period for creditors to bring that action. And what they're
19 saying essentially, Ambac, is that, make my day in a sense,
20 you know. Don't approve this. We will grab this on the other
21 side.

22 I'm not representing them obviously, so I'm not going
23 to defend their position. They can explain it better. But
24 the point is there's going to be someone picking up those
25 claims anyway.

1 But let me turn to the --

2 THE COURT: Well, and we can take this up with Ambac,
3 but I looked at 108(c), the provision that was cited, and
4 maybe I've got this wrong, but it seems to deal with
5 exceptions to the bankruptcy discharge of Chapter 7, 12, and
6 13 debtors and permits, under certain circumstances, a window
7 for pursuit of a claim against the debtor. That's what it
8 seems to refer to. So I don't really understand how that lets
9 Ambac pick it up.

10 MR. DESPINS: Again, I'm not going to advocate for
11 them, but they have a theory under which they are -- if the
12 debtor does not pursue claims within the statutory time
13 period, that they have 30 days to pursue those claims. But
14 that's in their pleading. I'll let them assert that.

15 Let's get to the crux of the 305 slash derivative
16 standing issue, which is our contention, Your Honor, that
17 obviously the Board did not grant us derivative standing, but
18 that they consented to the Court deciding that issue. And we
19 believe that that consent can be derived from multiple
20 documents in the case. So --

21 THE COURT: Could they have stopped you from making
22 an application to the Court for derivative standing?

23 MR. DESPINS: No. That's not our point, Your Honor.
24 In --

25 THE COURT: Okay. So I realize, in the stipulation,

1 | there is a provision that says you can make this limited
2 | motion, but so what you'll need to help me understand, as you
3 | go through your textual analysis, is how agreeing that an
4 | issue can be brought to a Court in the face of opposition to
5 | the request for relief sought is somehow consent to the
6 | granting of relief they couldn't have prevented being
7 | requested in the first place.

8 | MR. DESPINS: And I will do that, Your Honor, but I
9 | think that the difference here is not that they could have
10 | precluded us, but in agreeing that we could bring that motion
11 | without any reservation of rights regarding 305, they were
12 | essentially consenting to your Court determining the issue.

13 | And I want to be clear, it's clear from the
14 | stipulation that the claims we were dealing with were not
15 | avoidance action claims only. Right. It talks about
16 | deepening insolvency claims, fraud claims, et cetera. So it's
17 | clearly outside of the 926 issue. It says that in the
18 | definition of additional claims.

19 | And it's also clear that they understood, when they
20 | were providing us with lists under your Court's Order, that
21 | they were going way beyond 926. They were providing claims
22 | generally.

23 | And on top of that, there were several joint motions
24 | filed by us and by them that said that what we were dealing
25 | with were causes of action of the Commonwealth generally, not

1 avoidance actions. While the first motion, I will grant you,
2 talked only about pursuing avoidance actions -- that's our
3 March 25th, I believe, motion. It clearly, if you remember
4 that in your Order, talked about avoidance actions only.
5 After that, it migrated to all causes of action of the
6 Commonwealth.

7 And in fact, the motion that was filed jointly the
8 day that the stipulation was signed clearly says that this
9 motion that we're -- that we're -- that you're hearing today
10 would be to appoint the Committee or to seek appointment of
11 the Committee to pursue causes of action generally, not
12 avoidance actions.

13 So the point there is if you put all that together,
14 the Board needed to say, but 305 is preserved. Otherwise,
15 what they were agreeing is that the motion really could not be
16 heard by the Court, because the Court has no power to really
17 consider the request because of 305.

18 THE COURT: But wouldn't they have to make that
19 argument to the Court? The Statute is not so self-executing.

20 MR. DESPINS: Well, no, because -- and that's the
21 point we're making in our brief. The Code sometimes uses the
22 term express consent, sometimes it uses consent, simple
23 consent; and courts have relied on that to find consent short
24 of express consent in situations like this.

25 For example, if a -- the automatic stay provision,

1 you're very familiar with it, where a hearing has to occur
2 within, I forget, 30 or 60 days, unless the party consents.
3 Courts have found that, for example, a party's request to
4 brief an issue may take them out of the -- they can be deemed
5 to have consented because of that.

6 There are many other instances where Courts have
7 compared the words express consent with consent and have ruled
8 that simple actions short of, I hereby consent, are sufficient
9 to confer consent. And in a context such as this, where the
10 claims are listed, the claims are clearly not all 926 claims.
11 The majority of them are listed as non-926 claims. And the
12 fact that the Board said that this motion -- they have agreed,
13 it says they agree that the motion can be filed without any
14 reservation of rights under 305, we believe is sufficient for
15 consent under 305.

16 In any event, we also rely on the abandonment
17 argument. Even assuming, Your Honor, that you don't buy the
18 305 argument, that you have concerns about the potential
19 application of that in other contexts -- and by the way, I
20 would say if you look at the COFINA stipulation, it has
21 exactly the language that is not in the stipulation, about the
22 Board only conferring consent under 305 with respect to X, Y
23 and Z, and nothing else. That's not in this stipulation.

24 So if you are concerned about the potential
25 application of what I'm saying to other instances in the case,

1 but you nevertheless think that these claims should be brought
2 because they have merit, I think that the Court has the
3 ability to convey that message. For example, the same way you
4 conveyed it to us at the hearing last Wednesday to say, you
5 know what, there's a lot of moving parts here. I am not
6 comfortable with these claims being abandoned by May 2nd. I
7 think the Board and Committee should sit down and work out a
8 plan to bring those claims.

9 And I think, you know, like practically, what is the
10 Board going to do then? Just say you can't make us do it, so
11 therefore, we won't do it? I doubt that much very
12 practically. So the issue is there are material claims that
13 are being abandoned, and they should be brought.

14 And now I turn to the issue of refusal to bring. As
15 we said in the motion, there are multiple forms of refusal to
16 bring. There's the obvious refusal to bring that we're
17 dealing with here, because some claims are identified and
18 they're not going to bring them. Any claims sounding in
19 fraud, deepening insolvency will not be brought. And no
20 claims are being brought against any individuals. So former
21 directors and officers of GDB, not -- no claim being pursued.

22 So that's easy. That's the refusal to bring. But
23 there are other forms of refusal to bring, which is that --
24 and this brings me back to the issue you raised last
25 Wednesday. I remember you were considering the stipulation.

1 You said, you know -- not in those terms, but essentially the
2 message was, I understand what you're doing. I understand
3 there's going to be a lot of activity, but I'm expecting this
4 to dial down. You didn't use those words, but the message was
5 this activity to dial down because you're just trying to
6 protect the Statute of Limitations now. And I think the
7 general consensus is, we hear you. We get that.

8 But this is completely different than that. Why?
9 Because we're not dealing with claims against creditors which
10 can be resolved through all sorts of plan provisions in the
11 plan context. These people that we want to sue are third
12 parties. They have nothing to do with the case right now.

13 And refusal to bring also means, you know, to look at
14 the history here, which is there's a -- in the opinion of the
15 Committee counsel specializing in underwriter claims,
16 there's a -- there are substantial claims to be brought, with
17 substantial potential recoveries here. And the Board's
18 approach to this is, let's get tolling agreements and let's
19 get a tolling Order or different -- you know, Equitable
20 Tolling Order.

21 That's not pursuing these claims. These claims
22 should have been brought months and months ago, Your Honor.
23 So we believe this is also a form of not bringing those
24 claims.

25 It can't be that -- you know, no bank or underwriter

1 is going to settle based on a tolling agreement. That's not
2 the way it works. Mr. Arrastia could tell you more about
3 this, but the concept that these claims are being pursued is
4 not -- is really not right.

5 The other point I would -- that I would raise is that
6 there's no doubt that they're not pursuing the claims that are
7 listed in the Genovese outline. And by the way, in that
8 outline, it lists every claim and it describes whether the
9 Board is bringing those claims or not. But, and this is where
10 I'm -- I don't want to describe precisely, but -- the claims
11 they're bringing, but I would say that they are much more
12 limited in terms of types of claims, and therefore, in terms
13 of potential damages that could be obtained.

14 So I'll leave it at that if that's okay with Your
15 Honor.

16 THE COURT: Yes. And again, I have read those
17 submissions.

18 MR. DESPINS: Okay. At the end of the day, the Board
19 does not want to go where the facts lead them and even where
20 their claims lead them. So again, I want to avoid mentioning
21 particular claims, but you'll see in what we call the final
22 final list, because there are two final lists, which is
23 Exhibit C to our Reply.

24 If you go through that list, you'll see that there
25 are fraudulent transfer claims asserted against some people

1 going back to -- I'm not going to say the year, but long
2 before 2014. Let's just say that.

3 THE COURT: Yes. And again, I've read the
4 submission.

5 MR. DESPINS: Okay. So the point is, if you're going
6 to allege a fraudulent transfer claim, that means that the
7 debtor was insolvent back then. And it's not like the debtor
8 was insolvent and became solvent again. No. It just went
9 downhill.

10 So when I said say the Board does not want go where
11 the facts take them, it's exactly that. Meaning, how is it
12 going back to year X through 2014, they were in a certain
13 financial condition, and in 2014, somehow there's no argument
14 that people knew or should have known that it was completely
15 insolvent and that there was no ability to repay this, et
16 cetera, et cetera, as alleged in -- as more alleged in detail
17 in the Genovese submission.

18 That's the point that the Committee's making, is how
19 can it be that they can take these two opposite positions?
20 The claims that are listed in the Genovese outline, and
21 Mr. Arrastia can address any particular question you may have,
22 Your Honor, but they are colorable. Not only that they stand
23 on their own, but also they're colorable because the Oversight
24 Board said that they were.

25 How? Because through the providing of lists that

1 Your Honor directed them to provide, they essentially said
2 that. Not anymore, but they said that. So therefore, if
3 there's any purpose to this list that you Ordered, it has to
4 be that people cannot put something on the list and say just
5 kidding, you know, I was just showing you this but I had no
6 intention of bringing it. Obviously, they are estopped from
7 challenging the colorability of those claims at this point.

8 And let's talk about the claims against individuals
9 now. They say this is awful, et cetera, but it's clear the
10 Board does not want to sue any individual. And we're talking
11 about former GDB officers. And they include kind of a few
12 cheap shots about our motivation to do so, but the simple
13 answer, and this is coming from Mr. Arrastia, who does this
14 for a living, is that you always name the individuals as part
15 of the Complaint against the big banks, because, one, you want
16 to have a scope of discovery that's not limited to the
17 underwriters. You want to get discovery from others. But
18 also because this, the naming of those parties, could lead to
19 admissions or more than that vis-a-vis other co-defendants.

20 And the cost involved is de minimis in adding the
21 individual defendants, because they're going to draft the
22 Complaint that's going to describe the picture generally.
23 Adding the individual defendants does not add materially to
24 the cost of doing that. And on top of that, they are doing
25 this on a contingency basis. So you want to do that as a

1 matter of strategy.

2 And also, there may be a D&O policy. We don't know
3 the details of that at this point, but there may be a D&O
4 policy. But it is from a strategic point of view. This is
5 how it's done, in the opinion of underwriters, special counsel
6 of the Committee, is the way it should be done.

7 And we cannot forget that two of the Board members,
8 current Board members, are some of these individuals. I am
9 not saying, by the way, whether we would assert claims against
10 them or not, but the point is if you're not suing individuals,
11 they're getting a release on May 2nd. So let's all make sure
12 we understand that reality.

13 And I would end the opening here by saying that, you
14 know, they criticized the Committee heavily for not putting
15 its money where it's mouth is. And the point is the Genovese
16 firm has a lot of experience doing this. They're willing to
17 do this on a contingency basis. And yes, there will be
18 additional costs. Certainly not by my firm, but in terms of
19 perhaps some expenses or things like that. But the point is
20 that's not material compared to if you look at the potential
21 damages that are listed in the Genovese presentation, what the
22 estate might be recovering here if these claims are brought.

23 Thank you.

24 THE COURT: Thank you.

25 So for oppositions, I have first listed Milbank for

1 five minutes.

2 MR. MAINLAND: Yes, Your Honor. Good afternoon, Your
3 Honor. Grant Mainland of Milbank on behalf of Ambac Assurance
4 Corporation.

5 Your Honor, I want to be responsive to the question
6 you asked during the colloquy with Mr. Despins on the argument
7 we made in our brief as to Section 108(c) of the Bankruptcy
8 Code and why that's so important here, because a key premise
9 of Mr. Despins' application is that these claims will simply
10 disappear if they're not brought within the Statute of
11 Limitations governing claims by either the debtor or a trustee
12 of the debtor.

13 108(c), I will concede, is not a model of clarity,
14 but here is how we read 108(c) and why state law or
15 Commonwealth law of fraudulent conveyance actions revert to
16 creditors after the expiration of the applicable Statute of
17 Limitations. 108(c), and I'll flip to it, speaks not in terms
18 of an action against the debtor, but a civil action on a claim
19 against the debtor.

20 Recall that Section 362(a) of the Bankruptcy Code
21 stays claims to recover or actions to recover a claim against
22 the debtor. And importantly, 102 -- I apologize for the
23 meandering references, though. This is the reality of the
24 Bankruptcy Code. 102(2) defines a claim against the debtor to
25 include claims against property of the debtor.

1 So we read 108(c) and its reference to a claim
2 against an action on a claim against the debtor as
3 encompassing claims against third-party transferees to recover
4 the value of any transfers that are avoidable under state or
5 Commonwealth law fraudulent conveyance statutes.

6 We understand that this argument was made in the
7 *Lehman* bankruptcy, and that the debtor there and other
8 relevant parties stipulated to a tolling agreement that
9 incorporated an agreement that 108(c) does in fact return
10 state law fraudulent conveyance actions to creditors following
11 expiration of the stay. And importantly -- or I'm sorry,
12 following expiration of the Statute of Limitations governing
13 the Trustee's claims.

14 And one other textual detail here that I think is
15 relevant is in 108(a), it refers to the time within which the
16 Trustee may commence an action. 108(c) just speaks more
17 generally in terms of the period of time that would be
18 extended essentially, and there's no reference to the Trustee.
19 So that's another reason why I think the only -- the correct
20 interpretation here is that that is referring to creditor
21 claims. That's sort of the textual analysis and how we view
22 that.

23 Why don't I take a brief step back to explain sort of
24 how Ambac is uniquely situated here. We, unlike other parties
25 and creditors, actually believe that at least many of these

1 claims have real viability. And obviously we have limited
2 visibility into them, but at the high level they're described,
3 we view them as being, you know, a potential source of real
4 value for the Commonwealth.

5 The issue is that the UCC is simply the wrong entity.
6 And I think the fact that Mr. Despins had to spend half an
7 hour arguing about Section 305 -- well, Section 305 just
8 wouldn't be an issue here if creditors are bringing these
9 claims. And that's because Section 305 has to do with
10 interference of the property of the debtor. This would no
11 longer be, these claims would no longer be the property of the
12 debtor on the other end of the bankruptcy stay as it relates
13 to these claims.

14 926 is another issue where the Committee has real
15 issues about not being a creditor within the meaning of that
16 provision. Obviously we don't have that issue. We think
17 what's been referred to as *Aurelius* risk, or the possibility
18 that something may happen so-to-speak to the continued
19 existence of the Oversight Board, that could have
20 ramifications for any statutory committee that's litigating
21 causes of action on behalf of the debtor. None of those are
22 issues if creditors are bringing those claims directly. So
23 those are the key points I wanted to focus on.

24 There was one other exchange I think was relevant
25 during Mr. Despins' presentation regarding resources and the

1 sort of use of Commonwealth resources to pursue these claims
2 that I think also is another area where creditors pursuing
3 them sort of solves the issue. You know, those would be
4 direct actions brought by individual creditors, not being
5 funded out of, you know, the assets of the debtor.

6 THE COURT: And if the creditors were to bring these
7 after the expiry of the Statute of Limitations, they would be
8 bringing them for the benefit of whom?

9 MR. MAINLAND: It's a very good question, Your Honor.
10 With respect to the avoidance claims, it's an interesting
11 species of claims in the sense that it would be a direct
12 action brought by a creditor as a plaintiff against the
13 third-party transferee. But I think to the extent the
14 plaintiff is seeking avoidance of a transfer, that the
15 trans -- if that transfer is in fact avoided, I think it's
16 recovered on behalf of the Commonwealth for the benefit of all
17 creditors.

18 So in that sense, I guess I personally sort of think
19 of it as a quasi direct slash derivative claim. I think the
20 actual recovery of the money itself functionally ends up being
21 derivative, but the action would be brought and funded
22 individually by a creditor.

23 THE COURT: And so you don't see it as a situation in
24 which creditor A sues, gets made whole, and then somehow flips
25 whatever is left back to some receivership or some kind of

1 arrangement to be --

2 MR. MAINLAND: I don't think that's a risk, because
3 the only way a creditor is getting actual value here is if
4 they're -- if they see it through. And ultimately, the value
5 is, as Mr. Despins notes, sort of increasing the size of the
6 pie. It's just that we'd be doing it without a lot of these
7 legal questions hanging over us in the way they are over the
8 Committee.

9 So unless there's anything further, I'll rest on our
10 pages. Thank you.

11 THE COURT: Thank you, Mr. Mainland.

12 MR. MOERS MAYER: Your Honor, this is Tom Mayer in
13 New York. I apologize for interrupting, but I'd spoken with
14 Novak about the possibility of our jumping the queue given my
15 own personal schedule, and I'd ask if that might be possible.
16 I don't have more than a few minutes.

17 THE COURT: Please go ahead. Thank you, Mr. Mayer.

18 MR. MOERS MAYER: Oppenheimer Funds holds
19 approximately 500 million dollars of GOs, and the overwhelming
20 majority of these are old GOs. So I don't think, in a
21 statistical manner, we are more likely to benefit than we are
22 to be harmed by any of these litigations.

23 That being said, we think the Committee is the wrong
24 entity to be a trustee, and we see absolutely no precedent or
25 authority for a committee, one, serving as a trustee, as we

1 said in our papers; or two, acting under *Cybergenics*, *STN* or
2 *Commodore* standing on behalf of a municipal debtor. We know
3 of no case that has allowed that to happen.

4 I will link that back to the argument you were just
5 having in terms of Section 108(c). And I was interested that
6 Ambac did not cite what 108(c) provides for. 108(c) provides
7 for the termination of the automatic stay under Section 922.
8 922 stays not only actions against the debtor but it stays
9 actions against individual offices of the debtor.

10 Now, as I stand here today, I have no idea who
11 Mr. Despins or the Committee wishes to sue, whether they are
12 currently officers of the debtor, whether they will be
13 officers after the next election, whether they will be
14 officers after the next round of governmental appointments by
15 this administration. No one knows.

16 All of this gives point to Your Honor's question
17 about Section 305, and frankly, Section 303, as to whether it
18 is appropriate for a Committee to attempt to serve as trustee
19 under 926 and to serve as a plaintiff in the name and stead of
20 a governmental entity under the *Cybergenics* standards. We've
21 made those arguments in our papers.

22 And that's all I have to say today. I would ask that
23 those arguments also stand for our opposition to the
24 stipulation, because I will not be here to make an address at
25 that time.

1 THE COURT: Thank you, Mr. Mayer.

2 Next we'll go to counsel from Cadwalader.

3 MR. CURTIN: Good afternoon, Your Honor. Tom Curtin
4 with Cadwalader on behalf of Assured Guaranty.

5 THE COURT: Good afternoon.

6 MR. CURTIN: Your Honor, we, along with other
7 creditors, have objected to the 926 motion proffered by the
8 UCC, and we have done so because it's without legal basis.
9 You've heard already why 926 does not apply as to the
10 stipulation. I raised that at the last hearing. That applies
11 equally here as well.

12 And 926 is the only basis, Your Honor, for which
13 non-consensual derivative standing can be granted, and it can
14 only be granted for creditors. The UCC is not a creditor.
15 I'll get to that in a second. But there's an additional
16 reason why the motion should be denied, because trustees can
17 only be appointed in Chapter Nine cases to pursue avoidance
18 actions.

19 There's a closed list of causes of action that are
20 put in 926(a). There are specific sections of the Bankruptcy
21 Code that are cross-referenced therein, 544 through 550
22 specifically. Those are avoidance causes of action. Breach
23 of fiduciary duty claims, deepening insolvency claims, fraud
24 claims are not avoidance causes of action no matter how much
25 Mr. Despins wishes they are. So, Your Honor, 926 does not

1 authorize the motion on that basis alone.

2 And then of course, Your Honor, there's the issue of
3 standing, whether or not the UCC is a creditor. Mr. Despins
4 says this is a technical issue. It's not a technical issue.
5 It's an issue of whether or not he's a proper movant here
6 today, and he's not.

7 THE COURT: He filed the joinder.

8 MR. CURTIN: Yes. He actually filed the joinder.
9 I'm glad you mentioned that. The joinder that was filed
10 earlier this week wasn't to this motion. It wasn't even to
11 the urgent motion regarding the stipulation, and it wasn't
12 even to the stipulation. It was to docket 5997, which was a
13 purely procedural motion. It has nothing to do with what's
14 before you here today. So they didn't join this.

15 And in fact, all we have is the footnote that's in
16 their motion that says that they're nominal co-movants. And
17 I'd actually like to turn to that, because -- I don't think I
18 need to belabor the point. They're not a creditor. They're
19 not.

20 So there are individual creditors that are listed in
21 that footnote. One is Tradewinds. Tradewinds is not a
22 creditor of the Commonwealth. It filed only Proofs of Claim
23 against PREPA, so it has no standing to be here today.

24 Second is Doral Financial Creditors Trust. Doral
25 Financial Creditors Trust, Your Honor, doesn't appear on the

1 claims register. There may be other Doral entities that might
2 be creditors, but we don't know whether this particular entity
3 is a creditor of the Commonwealth. And we need that in the
4 record before you here today, and they've failed to have done
5 so.

6 In addition, the 2019 statements of the UCC have not
7 been updated in over six months. We need that to be updated
8 so we can have a full and accurate representation as to what
9 the nature and amount of the claims of Doral and other
10 creditors, purported creditors are on that committee.

11 And that leaves SEIU, Your Honor. We mentioned in
12 our papers we don't believe there is sufficient evidence that
13 SEIU is a creditor. It may be they are, but we just don't
14 have the evidence here before us today. They haven't filed
15 any 2019 statements in this case. The 2019 statements filed
16 by the UCC do not even attempt to disclose what the nature and
17 amount of their claims are. And we need to know that to
18 determine whether or not they are creditors.

19 But if Your Honor is to determine that they are
20 creditors, the appropriate remedy I think here is to strike
21 the Committee as a movant from this and to allow SEIU and
22 other creditors to prosecute this motion.

23 THE COURT: Well, 926 says that a creditor can move
24 for appointment of a trustee. It certainly doesn't by its
25 literal terms say that the trustee then has to be a creditor.

1 So if I find that one of these proffered joining entities is a
2 creditor, why does that necessarily disqualify the UCC from
3 being the trustee?

4 MR. CURTIN: I don't think it's necessarily the point
5 that it disqualifies them from being the trustee, Your Honor.
6 It disqualifies them from being a movant here today. And I
7 think it should tell you everything as to who's the movant
8 here.

9 Mr. Despins is arguing this motion. It's not the
10 individual creditors, to the extent they are creditors. It is
11 the Committee, and the Committee is not a creditor.

12 I'd also note, Your Honor, just one additional point
13 I'd like to make. In the Reply Brief, there is an assertion
14 made that unions are not required to comply with Rule 2019,
15 and there is a citation to a case from Tennessee from 1992
16 that said -- purportedly said that unions do not have to
17 comply with 2019. That's obviously decided under the old
18 rule, which was amended in 2011 and brought in to encompass a
19 broad array of creditors and entities that purport to
20 represent creditors.

21 THE COURT: I remember that amendment well. I was
22 chairing the Rules Committee at the time.

23 MR. CURTIN: And in fact, Your Honor, even before the
24 Rule was amended, there is a mountain of case law to say
25 unions are required to comply with 2019. I'm happy to provide

1 | you with some cites here today, but --

2 | THE COURT: Well, that's sort of going off topic.

3 | MR. CURTIN: Sure.

4 | THE COURT: If you can't get traction with
5 | Mr. Despins and want to make some sort of application for an
6 | order directing the Committee --

7 | MR. CURTIN: Sure.

8 | THE COURT: -- to report, you're welcome to do that,
9 | but let's not add that to the already full agenda today.

10 | MR. CURTIN: Sure. We'll be happy to do so, Your
11 | Honor. Unless you have any other questions, I'll yield the
12 | podium.

13 | THE COURT: No. Thank you.

14 | Let's see. We've heard from Mr. Mayer already. From
15 | Weil.

16 | MR. MORGAN: Good afternoon, Your Honor.

17 | THE COURT: Good afternoon.

18 | MR. MORGAN: Again, Gabe Morgan from Weil on behalf
19 | of National.

20 | Your Honor, as a starting point, I note that National
21 | owns or insures approximately 1.1 billion of Commonwealth
22 | debt, including general obligation and PBA bonds. I should
23 | also note that as far as we can tell, National is not a target
24 | for the claims in dispute. So the obvious question, why are
25 | we objecting.

1 Well, in short, National firmly believes in the need
2 for good process and the need to ensure that the pursuit of
3 claims is in the best interest of the debtor and its
4 creditors, not a waste of resources. The Committee's motion
5 was sweeping and overbroad in the relief it requested, again,
6 as far as we could tell. In its own words, the Committee
7 referred to the motion as unavoidably preliminary. And while
8 the Committee's Reply focuses on specific types of claims it
9 wishes to pursue against specific types of parties, a
10 description of those claims is, quote, by no means definitive.
11 And the Committee continues to request an open-ended mandate
12 to investigate and bring any that the Oversight Board decides
13 not to pursue.

14 We submit that granting the Committee such a mandate
15 is inappropriate for three reasons. First, the Committee's
16 failed to meet its burden. And the parties have disagreed
17 about the appropriate standard to be applied here, but we
18 believe that the Court doesn't even need to reach that issue
19 today because the Committee's motion is deficient on its face
20 by any standard.

21 By seeking an open-ended mandate that does not refer
22 to specific claims, the Committee does not identify the claims
23 it wishes to pursue, and it makes it impossible for the Court
24 to determine whether granting the Committee standing to pursue
25 those particular claims is appropriate, whether derivatively

1 or as a trustee under Section 926. In the absence of a
2 specific request, let alone evidence to support that request,
3 the Court should deny the motion.

4 The second reason, Your Honor, and as noted in our
5 papers, is that the motion needs to be evaluated in the
6 broader context of the Title III process. Specifically, how
7 it could impact the dynamics of any plan negotiations. If the
8 motion were to be granted and the Committee becomes the only
9 party that can settle the claims in question, whatever they
10 end up being, then the Oversight Board no longer has the
11 ability to settle and resolve those claims in connection with
12 the Title III Plan unless the Committee consents. We don't
13 think that's an appropriate lever to give the Committee in the
14 context of the present motion.

15 And finally, Your Honor, setting aside the fair
16 question that Mr. Curtin addressed regarding whether the
17 Committee is eligible to be a movant or a Trustee under
18 Section 926, National doesn't think that the Committee is the
19 right party to be such a trustee or otherwise pursue these
20 claims under the circumstances. The Committee purports to act
21 on behalf of all unsecured creditors, but as the Court well
22 knows, in -- the interests of trade creditors and unions, many
23 of whom have continued to be paid by the Commonwealth, often
24 diverge from the interests of the general obligation
25 bondholders who have a distinct right to be paid ahead of

1 other creditors from all available resources.

2 And this creates a conflict for the Committee in
3 situations like this where the proceeds of the claims in
4 question would be available resources to be recovered for the
5 benefit of general obligation bondholders, not other
6 creditors. Given the conflict, we don't believe the Committee
7 is the appropriate party to pursue these claims.

8 So for all of those reasons, as well as the ones
9 stated by other respondents, we believe that the right answer
10 is to deny the Committee's motion.

11 THE COURT: Thank you, Mr. Morgan.

12 Mr. Stancil.

13 MR. STANCIL: Thank you, Your Honor. Very briefly,
14 we've filed a limited joinder on the Oppenheimer papers, and
15 we will largely rest on that. I think I would just reiterate
16 our position is that the Committee has not met its burden
17 under 926 or for derivative standing, and that should really
18 be the end of the matter.

19 The Committee should stop proceeding on the basis of
20 what it deems to be the right way to run the case, or what's
21 expedient, or what they'd like to get done. They should be
22 required, like everybody else, to make a showing, rise or fall
23 on the showing, and then move on.

24 It's almost impossible for us to deal with this when
25 we don't have anybody, of course, representing bondholders on

1 the Committee, to have a committee not even -- not following
2 the letter of the law. I think that's really all we need, is
3 just a sort of step-by-step approach through the legal
4 framework. No more. No less.

5 THE COURT: Thank you.

6 MR. STANCIL: Thank you, Your Honor.

7 THE COURT: So I think that takes care of all -- oh,
8 sorry.

9 MR. RAIFORD: Your Honor, if I may, Landon Raiford
10 from Jenner & Block for the Retiree Committee.

11 THE COURT: Good afternoon, Mr. Raiford.

12 MR. RAIFORD: This is a little bit of a mess, I think
13 everyone would agree. And maybe just to piggyback off the
14 comments that were just spoken, the Retiree Committee's
15 approach, we try to take a little more practical approach,
16 which means nobody may like it but it may be the right answer.

17 And for the 926(a) claims, we would suggest the Court
18 allow the UCC to bring the avoidance actions, but then require
19 them to show, after they've filed the Complaints, that the
20 Oversight Board refused to bring these actions and that that
21 refusal is driven by an improper motive. And that's typically
22 in the legislative history, limited case law and 926. It's
23 kind of a traditional standard that's applied. And this
24 approach acknowledges the fact that the UCC has been put
25 between a rock and a hard place, without ignoring or without

1 requiring them to go through the steps that normally we would
2 expect in a different context.

3 For the derivative standing, the Retiree Committee is
4 agnostic on that point, but I think what we would like is to
5 the extent the Court grants that part of the motion, to put
6 the same parameters I just spoke about in 926 on the
7 derivative standing. And we can decide later whether the
8 Oversight Board's refused to bring the claims and whether that
9 refusal was in good faith or not.

10 And then maybe the last threshold would be some sort
11 of monetary threshold for the claims. I think I heard earlier
12 in connection with the equitable tolling motion that there was
13 some discussion, at least for that, about bringing avoidance
14 actions that were one million dollars or more. I know in our
15 papers, we had a higher threshold. The number really doesn't
16 matter to me so much. I think whatever the Court decides is
17 fair, we'll think is fair, but there should be some minimum
18 dollar amount that's at stake before we go in and start filing
19 hundreds and hundreds of adversary proceedings.

20 Thank you.

21 THE COURT: Thank you, Mr. Raiford.

22 Mr. Weisfelner.

23 MR. WEISFELNER: Yes, Your Honor.

24 THE COURT: I keep giving you an extra syllable, and
25 I apologize for that.

1 MR. WEISFELNER: Your Honor, may I know how much time
2 I have?

3 THE COURT: Let's see. 20 minutes.

4 MR. WEISFELNER: Thank you, Your Honor.

5 Your Honor, I'm not going to repeat the arguments
6 that you've heard about PROMESA and Section 305. Suffice to
7 say that we think that's a show stopper with regard to the
8 grant of the relief being requested.

9 For the record, and I'll come back to this if I have
10 time, the notion that somehow we've accidentally, while we
11 were sleeping, consented to the relief being requested we
12 think is a stretch of both credibility and the imagination.
13 Here is my biggest concern, and I firmly believe in support
14 that Committee counsel bears the burden of proof in terms of
15 making a record here today, and in that regard, I think
16 they've failed. But I will tell Your Honor that my concern
17 has always been that the underlying predicate for this motion
18 is, at worst, a gross distortion of the facts and
19 circumstances, or at best, it's an honest misunderstanding of
20 what it is that the Oversight Board, through it's Special
21 Claims Committee, in fact intends to do about the various
22 claims and causes of action that we think surround the bond
23 issuances that, in our judgment, severely injure the
24 Commonwealth of Puerto Rico.

25 Your Honor will recall that last week, in open court,

1 I offered to the Court and the parties on a confidential
2 basis, for I think obvious reasons, the final final chart
3 demonstrating the claims that we intend to bring against
4 specific defendants if we can't get tolling agreements. And
5 just to summarize, we are going to sue approximately 27
6 underwriters, nine different law firms, five different
7 accounting firms. And the theories of liability range from
8 breach of fiduciary duty; aiding and abetting a breach of
9 fiduciary duty; unjust enrichment; constructive, and it's
10 important to stress constructive, fraudulent transfer as
11 opposed to actual fraudulent transfer. And as Your Honor
12 knows, once upon a time we included in the chart another
13 column called deepening insolvency but made sure that we
14 indicated, not as a separate claim or cause of action but
15 rather, a theory under which damages can be asserted.

16 Your Honor, I asked my litigators where they stood on
17 their draft Complaint, and I have it here. It's up to 248
18 pages long, and as I said, asserts all of those claims against
19 all of those defendants.

20 I also asked for an analysis of the so-called -- I
21 don't remember if it was referred to as an Arrastia analysis
22 or an Exhibit E analysis by the Genovese firm --

23 THE COURT: Yes.

24 MR. WEISFELNER: And let me tell you what I find to
25 be so disingenuous about all this. During the course of

1 | deliberations, negotiations, discussions between the Special
2 | Claims Committee on the one hand and the Creditors Committee
3 | on the other hand, about what claims or causes of action ought
4 | to be pursued on the Commonwealth's dime, we offered to
5 | Mr. Despina the opportunity to personally address the members
6 | of the Special Claims Committee and to tell us, or to tell
7 | them what claims or causes of action do you have in mind that
8 | you think we're improperly or impermissibly dropping.

9 | And he got on the phone, to his credit, and he made
10 | his pitch. And it took a long time, and ultimately the
11 | Special Claims Committee then deliberated on it. At no time
12 | did he say, you know, I'd like to have Mr. Arrastia, who is my
13 | expert -- I mean, you know, he's got a burden of proof. So he
14 | trots in Mr. Arrastia, from I think Miami, who is now going to
15 | stand here and tell you, I'm the expert on suing underwriters.
16 | You don't know anything about my qualifications other than I
17 | was somehow involved in the *Enron* suit, and I may have other
18 | clients in this case, namely individual bondholders who are
19 | also suing underwriters.

20 | But the first time I heard the name Arrastia, the
21 | first time I heard of this Genovese law firm was in the
22 | responsive papers that were filed at nine o'clock at night --
23 | was it Tuesday or Monday? I'm losing track of the days.

24 | In any event, I've had a detailed analysis of the
25 | so-called Genovese analysis performed, and we're down to a

1 handful of differences of opinion. And when I say this, I'm
2 not waiving my argument that the Committee has the burden of
3 proof of showing an improper refusal. I don't have the burden
4 of proof of demonstrating to you that we made the right
5 decisions in terms of prosecutorial discretion. But
6 nevertheless, let's go through the differences.

7 Number one, the Committee thinks we ought to be
8 pursuing people for an intentional fraudulent transfer. We
9 are going to pursue people for constructive fraudulent
10 transfer. I forgot, I should have sent Mr. Despins the book I
11 wrote on fraudulent transfers, understanding the difference
12 between constructive and actual.

13 In order to prevail on actual fraudulent transfers,
14 as Your Honor well knows, you have to plead and prove an
15 actual intent to hinder, delay and defraud. Now, since we
16 don't have machinery that allows us to look into the minds of
17 people to figure out what their intent is, you quite rightly
18 do look at badges of fraud. I don't know what they are. We
19 looked for them. We couldn't find them sufficient to allege
20 an actual fraudulent transfer.

21 But here's a more important issue. What are the
22 differences in damages that one can achieve if you
23 successfully allege an actual fraudulent transfer to what you
24 would otherwise get if you successfully allege and prove a
25 constructive fraudulent transfer? As far as we know,

1 undertaking a heavier burden so as to collect the same level
2 of damages doesn't make a lot of sense.

3 Number two, they want to talk about a conspiracy
4 count to engage in a fraudulent transfer. Conspiracy to
5 engage in a fraudulent transfer. Can't find that under New
6 York law, and we looked. Can't find it under Puerto Rico law,
7 and we looked. But I'll tell you what we did find under New
8 York law, a 2010 decision by the Supreme Court of the state in
9 *Bairiri versus Madison Realty*, 924 NYS 2d 307. A conspiracy
10 to commit a tort, where the underlying tort is already pled,
11 should be dismissed. Specifically, I'm quoting from the case,
12 where the substantive tort is already pled against the
13 parties, the conspiracy claim will be dismissed as
14 duplicative.

15 That's why, Your Honor, we exercised our
16 prosecutorial discretion in not taking up the Committee on its
17 offer to sue for conspiracy to engage in a fraudulent
18 transfer.

19 Number three, deepening insolvency. Your Honor, it's
20 our belief and understanding, based on both New York and
21 Puerto Rico law, that deepening insolvency is not or at least
22 no longer qualifies as an independent tort. Puerto Rico has
23 never recognized the doctrine of deepening insolvency as far
24 as we can tell. But we do acknowledge it could be a measure
25 of damages, and we fully intend to pursue the concept of

1 | deepening insolvency to the extent it will, in our judgment,
2 | enhance value to be received.

3 | Number four, the Committee tells us now that they
4 | believe there is a good cause of action for breach of
5 | contract. The contract, they tell us, is the purchase
6 | agreement.

7 | Well, there's a problem with that, as far as we can
8 | tell, because we've reviewed the purchase agreements for the
9 | underlying bond issuances. And, number one, the underwriters
10 | expressly disavow any fiduciary duty to the Commonwealth.
11 | Moreover, the underwriters, in the same purchase agreement,
12 | are, by its terms, entitled to rely on the reps and warranties
13 | of the Commonwealth in connection with those issuances.

14 | For those reasons, we in the Special Claims Committee
15 | concluded that bringing a breach of contract action under the
16 | purchase agreement was unlikely to result in a positive
17 | result, give us better damage claims or worth the underlying
18 | effort.

19 | Number five, we have a difference of opinion as to
20 | who could be liable for breach of fiduciary duty. This goes
21 | back to the breach of contract action in that every
22 | underwriter in its purchase agreement expressly disavows any
23 | fiduciary duty to the Commonwealth.

24 | More significantly, we could only find one
25 | underwriter, and the Committee knows who it is we're talking

1 about, and anybody that looked at our chart distributed for
2 attorneys' eyes only knows who we're talking about. But only
3 one underwriter that we felt could be sued on this theory
4 because of the very special relationship that underwriter had
5 with the Commonwealth and with the GDB. We couldn't find or
6 plead that with regard to the balance of the underwriters.

7 Number six, and the final topic where we appear to
8 have a disagreement is the notion of suing for breach of
9 fiduciary duty or aiding and abetting a breach of fiduciary
10 duty by individual GDB former officers and directors.

11 First of all, we are aware of the fact that former
12 officers and directors of GDB have immunity or, at a minimum,
13 a qualified immunity under Puerto Rican law. Next, there
14 wasn't anybody in the Special Claims Committee that was
15 particularly interested in expending estate resources in order
16 to get liens on the homes and cars and first born children of
17 individuals.

18 As of a couple of days ago, we knew nothing about
19 available insurance. What little insurance there may exist
20 has executions that no one's been able to work their way
21 through, and in any event, it's our understanding that
22 whatever insurance might otherwise be available is what's
23 commonly referred to as a wasting policy. In other words,
24 defense costs come right off the top.

25 In point of fact, going back to the indemnity or at

1 least the qualified immunity that GDB officers and directors
2 have, someone told me today, so I'm not underscoring this, but
3 I did hear that typically the Commonwealth has the obligation
4 to come to the defense, i.e., pay the cost of defending
5 individuals that at one time were officers or directors of
6 GDB.

7 So what we heard from Mr. Despins is we think it's a
8 good idea to sue individuals, notwithstanding the fact that
9 they may not have the wherewithal to make good on a judgment,
10 notwithstanding the fact that they may have qualified
11 immunity, notwithstanding the fact that the Commonwealth may
12 have to pay for their defense to the extent it doesn't come
13 out of whatever remaining insurance there is, because we're
14 going to get them to flip on other people as part of this
15 conspiracy theory.

16 Well, that ignores the fact that they would otherwise
17 be the subject of appropriate discovery in any Complaint that
18 we intend to file and can be pursued for whatever information
19 they've got. Yeah, they're not going to be sued as named
20 individuals, so presumably we have less -- they'd have less
21 incentive to be truthful and provide whatever discovery we
22 reasonably seek.

23 My point here is that we keep hearing about
24 abandonment and refusal and letting claims and causes of
25 action slip by the wayside, or that we're otherwise only

1 intending -- only intending on suing these third parties,
2 underwriters and their lawyers and the accountants in order to
3 get back the prices that were paid to them in terms of
4 underwriting fees. That's not true.

5 We intend to pursue these defendants, and we are not
6 limited by the amount of underwriting fees they earned. We've
7 all read about and understand the concept of scoop and toss,
8 where newer bonds and the proceeds of those newer bonds were
9 used to pay off old debt, sometimes owed to the GDB, sometimes
10 debt that was held by underwriters that they couldn't
11 otherwise sell off to their syndicate.

12 Our damage theory will extend again to the scoop and
13 toss theories; it will extend to other theories that we've
14 heard, including the buyback of old bonds; and it will extend
15 to any original issued discount that the underwriters were the
16 beneficiaries of in connection with certain of the bond
17 offerings that, in some people's view, including the Special
18 Claims Committee, probably should not have ever been issued.

19 Now, Your Honor, I think you also need to understand
20 that the reality is we intend to sue, as I said before, a
21 whole bunch of underwriters, a whole bunch of lawyers, a whole
22 bunch of accountants. And if you grant this motion, the best
23 you could hope for is that the Committee, through its brand
24 new special counsel, not yet retained, and they're going to do
25 it on a contingency basis, so we have nothing to worry about

1 -- they're going to sue the same defendants, surrounding the
2 same facts and circumstances, i.e., the issuance of the bonds,
3 but they've got different theories of exposure, different
4 theories of recovery, theories that we don't think adds
5 anything to the overall ability of the Commonwealth to realize
6 value.

7 Well, how is that going to work as a practical
8 matter? Are we going to conduct depositions simultaneously?
9 Are we going to be able to engage in settlement discussions as
10 part of a plan of reorganization?

11 And I remind the Court, although the Court needs no
12 reminding, that another feature of PROMESA is the exclusivity
13 that's retained by the Commonwealth. So now, before we can
14 engage in any kind of plan negotiations, do I have to bring in
15 the Committee's brand new special counsel to work with me?
16 Does it complicate the litigation going forward? Does it make
17 it more difficult?

18 By the way, under a plan of reorganization, the
19 claims and causes of action against the underwriters -- if I
20 take a step back, when I first read through the Kobre & Kim
21 report and thought about potential claims against
22 underwriters, it always occurred to me that, wow, those claims
23 more directly ought to be attributed to or for the benefit of
24 bondholders who get all or any portion of their bonds
25 disallowed. At that point, sometime in the future, they've

1 realized real damages as associated with their bond issuance.

2 Well, again, to the extent that the Commonwealth owns
3 these claims, and I think they do today, we do intend to
4 pursue them. But part of the difficulty of affording the
5 Committee the opportunity to stand next to us is these claims
6 may very well be packaged up as part of a plan concept and
7 given to somebody as part of the give and take of plan
8 negotiations. I'm not telling you it will happen, but it
9 certainly could happen. And having the Committee involved
10 makes that not a terribly attractive alternative.

11 So to conclude, Your Honor, we think PROMESA is a
12 show stopper. We think the Committee's failure to satisfy any
13 burden of proof that we have somehow abandoned or improperly
14 refused to bring these claims is a show stopper. And as a
15 consequence, Your Honor, we think that this motion should be
16 denied.

17 Thank you.

18 THE COURT: Thank you.

19 Mr. Friedman, I have you down for ten minutes.

20 MR. FRIEDMAN: Thank you, Your Honor. Peter Friedman
21 from O'Melveny and Myers on behalf of AAFAF.

22 I think within the first two sentences of the
23 Committee's argument, Mr. Despins mentioned the word
24 abandonment. I think he then mentioned it about 13 or 14 more
25 times. And it's almost like ships passing in the night. Or

1 the thrust of our papers was, this isn't like any other
2 bankruptcy. It's not like a Chapter 11. It's not like a
3 Chapter Seven. It's PROMESA. It's Chapter Nine. Congress
4 made it different.

5 You know, one of the ways it made it different was it
6 excluded Section 554 of the Bankruptcy Code, which is the
7 entire doctrine of abandonment. Congress included Section
8 544, 546, 547, 548, parts of 549, 550, 551, 552, 553, skipped
9 over 554, and then went on to 555, 556, and 557, but also
10 excluded 558. And what do those deal with, the omitted
11 sections? Abandonment of estate property, because there is no
12 estate and because the property of a Commonwealth or Municipal
13 debtor is supposed to be left alone from interference. And
14 558 also doesn't let anybody else assert -- the omission of
15 558 means that certain defenses that would otherwise be waived
16 by a debtor, which can be picked up by an estate, also doesn't
17 apply.

18 Congress was really careful here. And so the notion
19 that somehow 305 can be overridden by a purported abandonment
20 is just wrong. And so I think that eviscerates effectively
21 the entire argument for how 305 can be evaded by the
22 Committee, other than their consent argument, which I
23 vociferously agree with Mr. Weisfelner about the lack of merit
24 of that argument.

25 Your Honor, the deliberate exclusion of 554 is part

1 and parcel of the way we think that Chapter Nine and PROMESA
2 are different than Chapter 11. We've cited multiple cases for
3 that, and there's really no response. There simply is not a
4 concept of non-consensual derivative standing that can exist
5 given Section 305.

6 And I think, on top of that, Your Honor, the root of
7 derivative standing is basically Delaware corporate law or New
8 York State corporate law under *STN* or *Commodore*. The
9 Committee cites not a single case under Puerto Rico law
10 suggesting that someone can stand in the shoes of the
11 government to pursue private causes of action.

12 Now, it kind of remarkably cites a case for the other
13 con -- sort of the opposite concept. It cites *Snapp & Son*
14 *versus Puerto Rico, ex rel., Barez*, which is a Supreme Court
15 case, which is cited by the Committee for the position that
16 the Commonwealth has the power to bring a *parens patriae*
17 action on behalf of its residents. Let's just take a step
18 back now and think that the Committee is asserting that it can
19 do that on behalf of the people of Puerto Rico.

20 Your Honor, *parens patriae* is -- the right to invoke
21 that is derived from one source, the elected legitimacy of a
22 government. Now, here maybe it's too because Congress has
23 modified the governmental powers slightly under PROMESA, but
24 to give an Unsecured Creditors Committee the right to assert a
25 claim on behalf of the people of Puerto Rico, well exceeds any

1 acceptable view of what Congress has put into PROMESA.

2 Your Honor, the other points I want to make, one is
3 sort of in the nature of a reservation of rights. And that
4 is, the Court asked at the beginning is anyone saying that 303
5 blocks an appointment under 926.

6 THE COURT: Actually, I was saying 305 blocks an
7 appointment.

8 MR. FRIEDMAN: 305. So my position is that in
9 certain circumstances, 303 might actually prevent 926 from
10 being invoked. I don't think this is the case. I can
11 certainly think of other circumstances where it would. But
12 even if it doesn't, I think it's important to be mindful of
13 what Judge Glenn held in the *OTB* case, where Judge Glenn
14 noted, in declining to appoint a 926 trustee, that given that
15 the transfers at issue were made pursuant to New York state
16 law, it appears that appointing a trustee to avoid these
17 transfers may engender the very concerns alluded to in
18 *Collier*.

19 And in *Collier*, as I'm sure the Court knows, there
20 was an admonition that when -- that it would be an
21 interference with governmental powers to try to apply Section
22 926 to legally permitted transfers that had -- and as the
23 Court knows, some of these transactions were authorized under
24 state law.

25 That's not to say that there may not be a host of

1 other arguments with respect to validity or that creditors may
2 be able to pursue, but to use Bankruptcy Code powers I do
3 think conflicts in important ways with 303 and 305.

4 Your Honor, the other point I wanted to -- I feel
5 compelled to make, is one that we talked about in our GDB
6 papers a lot, and, you know, it is we think not really fair to
7 portray GDB as the puppet master of everything when in fact it
8 was the piggy bank for everything.

9 As we explained in our objection, GDB had a statutory
10 purpose to lend money to the government. The government
11 frequently -- the rest of the government frequently leveraged
12 GDB's access to capital markets. GDB, and I think it's in our
13 brief, in respect to the GDB matter, we cited a variety of
14 public documents that make clear that GDB effectively covered
15 operational deficits of the Commonwealth and its
16 instrumentalities. HTA had significant annual operating
17 deficits that were protected by -- or that were funded by
18 HT -- that were funded by GDB.

19 And so, you know, GDB suffered a tremendous amount,
20 and its own creditors suffered a tremendous amount. And the
21 notion that GDB is the root of all evil and terrible, even in
22 past administrations, just is not I don't think a fair
23 reflection of what a full record would show.

24 Now, Your Honor, the final points I just want to make
25 are, you know, there are a variety of legal doctrines that,

1 and particularly with respect to suing some of these entities,
2 are so far fetched, or at least have to overcome so many
3 hurdles, like the idea that equitable tolling exists for the
4 entirety of a governmental administration. As far as I can
5 tell, no support for that legally, and I think it would work a
6 radical change in Puerto Rico law.

7 The doctrine of deepening insolvency, which
8 Mr. Weisfelner mentioned, we cited a case actually that the
9 only time it's been addressed by a Federal Court here in
10 Puerto Rico, the Court noted that not only had it never been
11 accepted but the Court further noted that there was a specific
12 statute in Puerto Rico which would likely undermine the
13 viability of that doctrine.

14 I think that's -- I want to see where we cited that
15 just so it's handy for the Court.

16 THE COURT: I recall that it's --

17 MR. FRIEDMAN: *Segara Miranda*. The *Segara Miranda*
18 case, Your Honor, 452 BR 59, note six.

19 So I think, you know, these are all speculative
20 claims. They potentially drain estate resources. They tend
21 to tackle extremely novel issues of Puerto Rico law. They
22 weren't abandoned. And I think the Court should defer in this
23 instance to the judgment of the Oversight Board, which under
24 305 of PROMESA is really the last word on this issue.

25 So the other thing I would reserve rights on are

1 | whatever theories Ambac seeks to pursue in the future, I think
2 | we'll have to see how they apply and what the meaning of
3 | 108(c) is.

4 | Thank you, Your Honor.

5 | THE COURT: Thank you.

6 | I believe we now come back to Mr. Despins.

7 | MR. DESPINS: Okay. So Your Honor, I will try to
8 | address this Seriatim. So starting with -- one issue was
9 | raised about -- when I addressed this to the Genovese firm,
10 | how did they get up to speed so quickly. First of all, they
11 | don't represent parties in this case. That's not what I said.
12 | They represent other parties suing broker-dealers, not in this
13 | case, but based on what happened in Puerto Rico. So that's a
14 | non-issue.

15 | But how did they get up to speed? They represented a
16 | Committee member for the last ten months, so they've been on
17 | Committee calls. They've been privy to the entire case
18 | through us. So what they generated is not something that was
19 | generated, you know, based on nothing. They had that
20 | background. And they have agreed, if this motion is granted,
21 | to pursue these claims on a contingency basis. And I think
22 | that speaks volumes.

23 | And the point about I was invited on this call with
24 | the Oversight Board, well, that's absolutely true, but that's
25 | the day on which we were told that the Oversight Board was no

1 | longer bringing deepening insolvency and other claims. So we
2 | were caught completely flatfooted. And actually, my first
3 | statements to that group were, I'm not ready to give you a
4 | presentation on this, because we were relying on the Special
5 | Committee to bring those claims based on those lists that
6 | you've seen, Your Honor. And the firm of Genovese was hired
7 | after that, when we were told that they were not bringing
8 | those claims.

9 | The argument that -- you know, we keep coming back to
10 | the fact that we have no creditors. Now, Doral Financial
11 | Corporation, acting through the Doral Financial Creditor
12 | Trust, whatever the name, is the creditor. There's a Proof of
13 | Claim. There's a footnote in a Reply that lists that Proof of
14 | Claim. Same thing with SEIU. We attached a reference to the
15 | Proof of Claim itself.

16 | So there is no issue that this was filed by
17 | creditors, and there's no precedent for saying that a
18 | Committee cannot be a trustee. The argument that they cannot
19 | be *STN* in a municipal case is debunked by the fact that we did
20 | that. In fact, Mr. Mayer signed a stipulation that Your Honor
21 | signed which appointed the Committee as -- under *STN*. It
22 | cites the case.

23 | Yes, you might say, well, Luc, Mr. Despins, that was
24 | consensual. We know that.

25 | THE COURT: You anticipated me.

1 MR. DESPINS: But -- Your Honor, it was consensual,
2 but, Your Honor, the point is the principle of the appointment
3 was *STN*, and *STN* is not only consensual. It can be also
4 contested, meaning you can be appointed under *STN* even as
5 contested standing. The point is that the concept that *STN*
6 does not apply in a Municipal case is not accurate. In fact,
7 we have a precedent here.

8 He also said, I don't know who he's going to sue, and
9 all that. It's very clear. We've said it. It's former
10 officers and directors.

11 Now, Assured, Cadwalater, again, they say the UCC is
12 not a creditor. It's as if they have not read the Reply,
13 because we addressed all these points. So, you know, the
14 proof of claim by SEIU shows all the grievances that SEIU is
15 pursuing, monetary grievances against the Commonwealth. It is
16 a creditor. And obviously we'll look at the 2019 statements.

17 Now, National, they say the description of claim is
18 not definitive. Well, the claims are described in detail in a
19 Genovese exhibit, Your Honor, so that's much more than you
20 have received from the Oversight Board. Right now what we
21 have from the Oversight Board is a list of names and
22 checkmarks. This analysis from Genovese is fairly detailed in
23 terms of the claims that are being prosecuted, including
24 fraudulent transfer claims. People keep saying that we're not
25 pursuing fraudulent actions or we're not seeking to do that.

1 We are seeking to do that.

2 Now, going to Mr. Weisfelner's points. He says no
3 waiver. The point about no waiver, again, I don't think that
4 it needs to be a waiver. I think the consent can be implied.
5 And the only reference to 305 in the stipulation, Your Honor,
6 is in paragraph three, and there's no other -- and it's a
7 positive one. It says, to the extent 305 needs to be waived,
8 it is waived.

9 But there's no reference anywhere else about we're
10 reserving our rights under 305 when you're bringing that
11 motion. So the combination of this plus the motions that were
12 filed I think should be sufficient to overcome the consent
13 argument, but in any event, consent -- 305 does not apply to
14 926.

15 In terms of deepening insolvency, Your Honor, now you
16 get a real sense of what we have to deal with. Mr. Weisfelner
17 said point blank that in their final final list, they're
18 bringing deepening insolvency claims on a damages theory.
19 That's not the case, Your Honor. Look at the final final
20 list. It used to have that in the final list, but the final
21 final list doesn't contain any reference to deepening
22 insolvency.

23 And what that means is that this is an ever moving
24 target on the part of the Board. Now they say they're doing
25 it, but it's not what their final final list says.

1 They have offered us to address the Special Claims
2 Committee. We did that. We could not involve Arrastia
3 because they had not been retained. We didn't know the Board
4 was going to take that position.

5 Now, the lecture we got on intentional versus
6 constructive, he said that actual intent is intent to hinder,
7 delay and defraud. Actually, it's "or" defraud not "and," and
8 that's a big difference, because in pari delicto issues, you
9 don't want to argue intention to defraud. You want to argue
10 intent to hinder or delay, and that's what we're doing.

11 They say, what are the elements of fraud here? We
12 listed them, insider transaction, insolvency. They can't go
13 back and argue there's no insolvency. The Board's already
14 taken the position that they were insolvent. The fact that
15 there's no consideration or a lack of consideration going to
16 the Commonwealth, these are all factors that are badges of
17 fraud. They're listed there, so I don't know why they want to
18 ignore those.

19 And the argument is why would you cause all the --
20 bring damage about asserting intentional fraud claims. It's
21 because you can then assert conspiracy claims. And they said,
22 oh, we've looked for a case under New York law on this issue,
23 could not find any. It doesn't exist. Wrong.

24 I cite, Your Honor, *In Re Allou Distributors*, 379
25 B.R. 5, jump cite 36, Bankruptcy, Eastern District of New

1 York, 2007. The quote is, Courts in this Circuit have
2 similarly recognized the claim for conspiracy to commit a
3 fraudulent conveyance may be stated under New York law.

4 And when you get in that type of claim, Your Honor,
5 you're not talking about getting the fees back. You're
6 talking about a whole different type of claim against the
7 third parties in terms of billions of dollars, not millions of
8 dollars.

9 Then the other arguments about suing individuals.
10 They say, again, they make this pronouncement, there is
11 immunity under Puerto Rico law. In 2015, there is a law that
12 was adopted that said that there is immunity, but there's also
13 a principle of Puerto Rico law that says unless expressly
14 stated in the statute, a statute has no retroactive effect.

15 So this happened in 2014, a year before that statute
16 was adopted. So therefore, there is no immunity for the 2014
17 acts.

18 Then they say, well, there will be claims against the
19 Commonwealth for indemnification. These are pre-petition
20 claims. They can take a number and get a few pennies on the
21 dollar, but it's not going to drain the coffers of the
22 Commonwealth unless the Commonwealth would actually want to
23 volunteer to pay those people. And I don't know why they
24 would do that.

25 And then the idea, they say, well, it's really

1 | because what they really want people to do, these individual
2 | defendants, is to flip. Well, that sounds very negative, but
3 | in bankruptcy, this is done all the time. What I mean by that
4 | is often individuals are pursued and enter into confessions of
5 | judgment with a non-recourse provision.

6 | So this idea that we want to lien their cars or their
7 | boats, that's offensive. That's not what we're after. But in
8 | fact, there have been many precedents where there have been
9 | settlements where an ex-CEO, for example, will enter into a
10 | settlement agreement where there's no recourse to his or her
11 | personal assets, but as part of that, there's an
12 | acknowledgement that the following acts have taken place, or
13 | that -- and that's key, and that's why it's important to
14 | include these defendants.

15 | Then he tells us that he's going to include scoop and
16 | toss theories of liability. That is nowhere in his final
17 | final list. And again, given that they've shifted so many
18 | times on which claims they're going to bring, the Committee
19 | has no comfort that they're actually going to bring these
20 | types of claims, because that's never been mentioned to us
21 | before.

22 | And then the issue of interference, that we'll be
23 | competing against each other. Again, Your Honor, you have the
24 | pen, and that means that you can say, I'm going to enter that
25 | Order with very limited restrictions and that you shall confer

1 with the Board. And in fact, if you did grant us standing, I
2 would guarantee you that the Board would add these claims the
3 next day or would join and allow us to join with their
4 Complaints. So there's no interference. So this argument
5 that there's interference, that's a red herring that they
6 would have to deal with -- there's a way to deal with that,
7 and the parties can be forced to cooperate.

8 Mr. Friedman talked about 554 not applying. Yes, we
9 said that in our Replies. It's not like novel to us. But
10 it's the same concept, which is -- practically it's
11 abandonment. It's as if there's a pot of cash and they are
12 saying, you know, we're going to burn that stuff, or well,
13 we'd like to grab it before you burn it. And that's the same
14 concept. It's not relying on 554 precisely. The concept is
15 that there's no exercise of control over the asset because
16 it's being abandoned. Not under 554, but practically
17 abandoned. Abandoned means not pursued and not usable again,
18 because on May 2nd, those claims go away.

19 And he said, it's really shocking that the
20 Commonwealth would be giving rights or that the Court would be
21 giving the rights of the Commonwealth to the Committee. The
22 Court does just that on a consensual basis, on COFINA, a
23 stipulation that was signed by O'Melveny. So the point is
24 there's nothing from a precedent that is shocking on that
25 because we remain under supervision of the Court at all times.

1 The *OTB* case was a liquidation, and what the Court
2 said is that, I'm not going to allow these actions, these
3 avoidance actions to go forward, because the debtor remains
4 free to repay. And that's fine. But here the debtor would
5 not repay.

6 If Mr. Arrastia's firm obtained or was able to obtain
7 a settlement of X millions or billions of dollars, there's no
8 way the Commonwealth's going to say, let's give that back to
9 the defendants. That's not going to happen. So that's why
10 the 926 trustee motion was denied in *OTB*.

11 And then he said, they resent the fact that the GDB
12 is perceived or is described as a puppet master. Look at
13 Kobre & Kim. It says the GDB controlled all aspects of debt
14 offerings and preferred itself as a creditor. It says that in
15 black and white in the Kobre & Kim report. Not from us.
16 Don't rely on us. It says that in there. And that's exactly
17 what they did in the 2014 offering.

18 Then he mentions this case. Yesterday there was a
19 District Court of Puerto Rico case that in a footnote,
20 footnote six, questions the vitality of deepening insolvency,
21 but not in terms he described. What they said is that the
22 Supreme Court of Puerto Rico has never addressed the issue.
23 So it's not they ever rejected it. And number two, the Judge
24 said, I could see an impediment or an argument that would
25 foreclose that. Then he cites a statute that provides that

1 | shareholders in a shareholder derivative suit have to comply
2 | with certain factors.

3 | That's not what we're dealing with here. We're
4 | talking about the entity itself bringing the claim. So that
5 | case has no real bearing on this.

6 | And then I would end, Your Honor, with 926. There's
7 | no 305 that applies in 926, and paragraph one of the Genovese
8 | outline outlines some very detailed fraudulent transfer claims
9 | and -- that could be asserted against defendants and that are
10 | not being asserted against defendants, and that would lead to
11 | much higher recovery for damages, Your Honor.

12 | And so, in closing, we think that the Court should
13 | grant the motion, and could impose also some restrictions. To
14 | the extent the Court has concerns about, you know, the issues
15 | of us pocketing the money somehow, there's this implication
16 | that's going to make plan negotiations impossible. I don't
17 | know how they would be impossible, because -- only if maybe
18 | there's a huge pot of money there and then people would say,
19 | we want it, but that's a risk we take. It doesn't belong to
20 | the Unsecured Creditors, because we are the plaintiff in that
21 | action, Your Honor.

22 | Unless the Court has questions, I think that's all we
23 | have.

24 | THE COURT: Thank you. You've been quite
25 | comprehensive. Just before you leave the podium, I'm going to

1 call a ten-minute break in just a moment. During that break,
2 I would be grateful if the parties who have made sealed
3 filings in connection with this motion and also sealed filings
4 in connection with the stipulation would consult and be
5 prepared to discuss with me today, at an appropriate time,
6 whether, when, and to what extent the sealed elements can be
7 unsealed.

8 When I issued the Procedures Order, I contemplated
9 the unsealing of the final final list on May 6, which is after
10 the May 2nd deadline. There's a different mix of things
11 attached to the Reply brief here, and as I understand it,
12 certain lists keep changing, but I provided for the sealed
13 filing so that, of course, potential actions wouldn't be
14 matched to potential defendants on the public record before
15 lawsuits were filed. But, you know, there's got to be some
16 point when that necessity has dissipated, and so I'd like to
17 at least get a sense of what you all have in mind and. Then
18 I'll ask you to, you know, undertake to give me a joint
19 proposed stipulation on it.

20 So I just wanted to give you the heads up about that
21 and not lose that issue. See you ten minutes. Thank you.

22 (At 2:51 PM, recess taken.)

23 (At 3:08 PM, proceedings reconvened.)

24 MR. WEISFELNER: Judge, with your permission?

25 THE COURT: Just one second.

1 Yes, Mr. Weisfelner.

2 MR. WEISFELNER: First, with respect to the
3 unsealing. Your Honor, as Your Honor knows, a week from
4 tomorrow is the proverbial deadline for Commonwealth claims.
5 We intend to bring suit by that date, which suggests that
6 anything we've ever filed under seal could be released
7 thereafter, but we are hoping for tolling agreements.

8 So what I suggest, if it's okay with Your Honor, is
9 give us a week after that deadline, at which point we will
10 advise Your Honor, based on what tolling agreements we've
11 gotten by then, how to release the sealed information.

12 Again, we'd like as much in the public domain as we
13 can possibly afford, and the only redactions I think we'd be
14 in a position to make are in connection with people who have
15 signed tolling agreements.

16 THE COURT: And that's fairly consistent with my
17 concept. In my original Order, I'd given you until the
18 following Monday, May 6. So this would be May 8th, and so you
19 might consider a redacted form of the list that takes out the
20 names of parties with which you have tolling agreements. And
21 also whatever you propose to me in connection with the motion
22 we've just discussed should address the iterations, the
23 preliminary, and final, and final final and all that
24 iterations of the list --

25 MR. WEISFELNER: Sure.

1 THE COURT: -- that were separate --

2 MR. WEISFELNER: Again, with the same caveat. I have
3 no particular concern about whatever value Mr. Despina thinks
4 he gets out of a public disclosure of how my first list may
5 have been different from my second list, may have been
6 different from my third list, if he wants to disclose that,
7 for whatever it's worth. But for the redactions, I think I'm
8 okay.

9 Your Honor, I have one --

10 THE COURT: And so just to close the loop on this,
11 you'll give me a joint status report with either a stipulation
12 or specific proposal with any objections, if necessary,
13 regarding the unsealing of the sealed materials that were
14 filed in connection with these two motions?

15 MR. WEISFELNER: So long as my team has a week from
16 the deadline to file everything, to catch their breath and
17 then get back to you, that would be fine.

18 THE COURT: So joint status report by May 8th, and
19 actual filing of the newly redacted material by May 15th is
20 what you're asking?

21 MR. WEISFELNER: I think that's fine.

22 THE COURT: All right. That's fine.

23 MR. WEISFELNER: Your Honor, here's my other concern.
24 Again, the deadline, as Your Honor knows, to file these
25 Complaints is a week from tomorrow. In contemplation of any

1 world in which the Committee's motion gets granted, we've
2 heard today, actually, I guess the night before last, for the
3 first time, that the Committee would otherwise intend to
4 retain special counsel to bring the claim that we're now being
5 told they're prepared to do on a contingency fee basis.

6 And you've heard Mr. Despins say that these claims
7 could be worth billions of dollars. Well, I don't know about
8 you, Judge, but it seems to me that a contingency firm that
9 would seek, what, ten percent of a two billion dollar claim,
10 ten percent of a one billion dollar claim, that's an
11 employment application that I know the Financial Oversight
12 Board, if not AAFAF, would have an interest in looking at, not
13 -- to say nothing of all of the other creditors standing
14 behind me.

15 THE COURT: Yes.

16 MR. WEISFELNER: I'm not sure how it is that we get
17 this counsel retained when we've got less than a full ten days
18 to get all this done. And I'm telling you now that if they
19 file the application, we're likely to object, because it's one
20 thing for the estate to realize the damages I think we're
21 capable of realizing in connection with the prosecution of our
22 Complaint. We'll get paid the blended hourly rate that we
23 agreed to. Mr. Despins seems to think, we have a huge savings
24 because we're going to do it on a contingency fee basis.
25 Well, that percentage, contingency that the Genovese firm

1 | thinks they're going to earn would otherwise be available to
2 | the Commonwealth and its creditors.

3 | So we need to see the terms before it goes forward.
4 | I thought I'd mentioned it, because it seems to me in any
5 | universe where he gets the relief he wants, I don't know how
6 | we're supposed to move forward from here to there, other than
7 | now I hear him say he'll sign the Complaint in a timely
8 | fashion.

9 | THE COURT: Well, and before Mr. Despins runs up,
10 | these are points that are well taken and that we should keep
11 | in mind as these cases go forward. I'm ready to rule on the
12 | motion, and so there's no need to have a little debate about
13 | this right now.

14 | MR. DESPINS: Your Honor, it's not argument, just an
15 | actual statement about the contingency --

16 | THE COURT: Okay. Well, you need to be near a
17 | microphone where people can hear you if it must be said right
18 | now.

19 | MR. DESPINS: I just wanted to let you know that no
20 | contingency agreement has been entered into. The
21 | understanding with them, because we were caught flatfooted, is
22 | we would hire them with the same discount that applies to us
23 | for the time between last week and May 2nd, if the Court were
24 | to grant it. And then the parties could look at what makes
25 | sense for a contingency agreement or not, because you want to

1 be fully informed before entering into that.

2 That's all. So no agreement regarding contingency
3 has been agreed to. The work they did from last week to today
4 is based on a straight hours with the 20 percent reduction
5 that has applied to other professionals for the Committee.

6 THE COURT: And which is also subject to the Court
7 examination --

8 MR. DESPINS: Yes.

9 THE COURT: -- and examination in the first instance
10 --

11 MR. DESPINS: Yes, Your Honor.

12 THE COURT: -- by the Fee Examiner and the principles
13 that we have been working on for the past several months with
14 respect to sub-retained professionals and others.

15 MR. DESPINS: Yes, Your Honor.

16 THE COURT: Thank you.

17 Before the Court is the *Motion of the Official*
18 *Committee of Unsecured Creditors for Order authorizing*
19 *Committee to pursue certain causes action on behalf of the*
20 *Commonwealth and granting related relief*, which is docket
21 entry number 6325 in case 17-3282.

22 In the Motion, the movants request entry of an Order
23 first appointing the Official Committee of Unsecured
24 Creditors, which I'll refer to as the Committee, as Trustee of
25 the Commonwealth under Section 926(a) of the Bankruptcy Code

1 for the purpose of prosecuting certain avoidance actions of
2 the Commonwealth; and two, granting the Committee derivative
3 standing to investigate and to prosecute other related
4 Commonwealth causes of action.

5 The Court has considered carefully all of the
6 submissions of the parties, as well as the arguments made in
7 court today. For the reasons that I will now explain, the
8 motion is denied in its entirety.

9 Section 926(a) of the Bankruptcy Code, which is
10 incorporated and made applicable in these cases pursuant to
11 Section 301(a) of PROMESA, provides that if the debtor refuses
12 to pursue a cause of action under Section 544, 545, 547, 548,
13 549(a) or 550 of the Bankruptcy Code, then on request of a
14 creditor, the Court may appoint a trustee to pursue such cause
15 of action.

16 Turning first to the nature of the causes of action
17 that may be subject to derivative standing motions absent the
18 Board's consent, the Court finds that Section 926 is the only
19 mechanism that allows the Court to grant a third party
20 standing to bring a cause of action on behalf of a Title III
21 debtor. The scope of Section 305 and the public policy
22 underlying PROMESA support this conclusion.

23 The Court finds unpersuasive the Committee's argument
24 that Section 305 does not apply in this case because the
25 property that is at issue, that is, the causes of action, is

1 property that the Commonwealth is effectively abandoning. If
2 the Court were to grant the Committee non-consensual
3 derivative standing to pursue claims that the Board has
4 declined to assert, the Court would not only be second
5 guessing the Oversight Board's decision, but also potentially
6 obligating the Commonwealth to expend its own resources to
7 fund such litigation, and potentially complicating the Board's
8 exclusive authority in respect of plans of adjustment. Nor is
9 the Committee's argument that the Oversight Board has
10 consented, for purposes of Section 305, to the Court
11 exercising its judicial power with respect to the Motion
12 availing.

13 The stipulation's provision stating that the UCC
14 could file the instant motion does not implicitly or
15 explicitly indicate that the Oversight Board has agreed that
16 the Court even has power to grant the relief sought in the
17 Motion to the extent it's outside of the scope of 926. And
18 indeed, it is clear that the Oversight Board opposes the
19 Motion and contends that the Court has no authority to grant
20 it to the extent it extends outside 926. And the Board
21 contends that the Court should not grant it to the extent it's
22 brought pursuant to Section 926.

23 The Court holds that absent the express consent of
24 the Oversight Board, PROMESA's statutory framework does not
25 allow the Court to grant derivative standing to a third party

1 to bring actions that are not expressly enumerated under
2 Section 926 of the Bankruptcy Code.

3 Turning now to Section 926, the Court must analyze
4 the circumstances of the case in determining whether the
5 appointment of a trustee is appropriate. In determining which
6 standard to apply to this statutory provision, the Court finds
7 that cases that analyze the authority of a creditor's
8 committee to initiate adversary proceedings on behalf of the
9 estate are instructive. See e.g., *In Re STN Enterprises*, 779
10 F.2d 901, at 904 (2d Cir. 1985). See also, *In Re Sabine Oil &*
11 *Gas Corporation*, 547 B.R. 503, (Bankr. S.D.N.Y. 2016).

12 Generally, to obtain derivative standing, courts
13 require a creditor's committee to establish that, first, the
14 committee presents colorable claims for relief that, on
15 appropriate proof, would support a recovery; and two, that the
16 debtor, or in this case the Oversight Board, unjustifiably
17 failed to bring suit.

18 In determining whether a debtor's refusal to litigate
19 is justifiable, Courts in this circuit look at, among other
20 things, the costs and risks to the estate and the ability to
21 recover proceeds. *In Re Pagnini*, number 09-17144-1-CH, 2010,
22 Westlaw 383941, (Bankr. D. Mass. Jan. 26, 2010).

23 In this case, it is important to consider the
24 legislative history of Section 926 and PROMESA's statutory
25 framework. In the context of a municipal bankruptcy case, at

1 least one Court has held that courts should be loathe to
2 appoint a trustee given that the Court's limited powers in a
3 Chapter Nine case are best understood as operating within the
4 context of constitutional and federalism concerns. *In Re New*
5 *York City Off-track Betting Corporation*, number 09-17121-MG,
6 2011, Westlaw 309594, at 1* (Bankr. S.D.N.Y. Jan. 25, 2011).

7 Moreover, Collier warns that Courts should not permit
8 a motion for a trustee to be used by creditors as a bargaining
9 lever in negotiations over the plan, and the process should
10 not be taken out of the debtor's hands by the appointment of a
11 trustee to upset the delicate balance among competing
12 interests that must be preserved for successful plan
13 negotiation, formulation and solicitation. 7 Collier on
14 Bankruptcy ¶ 926.02.

15 Here, even the sealed element of the Committee's
16 motion does not proffer specific allegations against the
17 relevant parties and is insufficient to frame colorable claims
18 against the parties that Committee proposes to sue. Moreover,
19 the Committee has also failed to establish that the Oversight
20 Board's decision not to pursue the causes of action is
21 unjustifiable. The Committee has not demonstrated that the
22 potential ability to recover proceeds outweighs the costs and
23 risks to the debtor in the context of these complex Title III
24 restructuring proceedings.

25 Importantly, unlike commercial bankruptcies, the

1 restructuring cases of government entities, whether
2 municipalities in Chapter Nine or territorial governments
3 under PROMESA, involve a different set of statutorily
4 prescribed goals. The goal is not merely to maximize the
5 recovery of creditors. Rather, these restructuring cases
6 require a more holistic approach that focuses on the
7 continuation and future of a government and the political
8 entity.

9 In the context of PROMESA, the statutory intent is
10 clear. Congress expressly designed PROMESA and entrusted the
11 Oversight Board to provide a method for a covered territory to
12 achieve fiscal responsibility and access to the capital
13 markets.

14 In advancing these goals, the Oversight Board is
15 designated, in the first instance, as the entity that needs to
16 make the critical judgments. While the pursuit of
17 investigations and maximizing returns for creditors are
18 necessarily important elements of these judgments, they are
19 not the exclusive end point of the inquiry.

20 The needs, concerns and future of a political entity
21 that is the home of millions of citizens, as well as the
22 needs, concerns and rights of a broad range of parties in
23 interest, and the ability to impose a confirmable plan of
24 adjustment are implicated here. The Oversight Board has been
25 given the responsibility of balancing and prioritizing the

1 relevant issues and concerns and is entitled to a measure of
2 deference in carrying out this responsibility.

3 The Committee's criticisms of the Oversight Board's
4 work and its proffer of assertions and inferences that the
5 Oversight Board is foregoing potentially lucrative litigation
6 provide insufficient justification for finding the Oversight
7 Board's exercise of authority so unreasonable as to warrant
8 the appointment of a trustee under Section 926. And, as I've
9 explained earlier, there is no other PROMESA authority for a
10 non-consensual appointment.

11 I note, in closing, that it is ultimately the Board's
12 responsibility, if it is going to be successful in addressing
13 the goals of PROMESA, to earn the trust and confidence of all
14 of the constituencies, creditors, citizens and others who will
15 meet at the end of the day to have good reason to respect the
16 way in which the Oversight Board exercises its judgment and
17 who will have to live with the consequences of its exercise of
18 judgment.

19 The Motion is denied, and the Court will enter an
20 Order to that effect. Thank you.

21 The next item on our Agenda is IV, Item six --
22 actually, are we ready for the stipulation or do we go on?

23 MR. DESPINS: So I understand that a mark to show
24 changes was sent to your courtroom --

25 THE COURT: I got three versions with three different

1 types of track changes.

2 MR. BONGARTZ: It was the last one, two minutes
3 ago.

4 COURTROOM DEPUTY: You have to tell me which one it
5 was. I'm sorry.

6 THE COURT: Why don't you do this. Why don't you
7 look at the one that is the one you want me to pay attention
8 to, and tell me what is redlined on page -- in paragraph
9 three.

10 MR. WEISFELNER: May it please the Court --

11 MR. BONGARTZ: I just sent it two minutes ago. There
12 were last minute revisions --

13 THE COURT: What I have is from an hour ago.

14 MR. BONGARTZ: And there is only one redline that I
15 just sent two minutes ago. The only redline --

16 COURTROOM DEPUTY: So the e-mail that I got right now
17 --

18 MR. BONGARTZ: Yes.

19 COURTROOM DEPUTY: -- is the one you want?

20 MR. BONGARTZ: Yes.

21 COURTROOM DEPUTY: Your Honor, I'm going to need a
22 couple of minutes, because it's 20 pages each, this one.

23 THE COURT: All right. So that has to be printed out
24 for me. What I suggest is that we go to Item IV.6, which is
25 the 13th Omnibus Objection, and Mr. Hein's Response, and also

1 Mr. Hein's procedural motion. Sorry.

2 THE COURT: Mr. Stancil.

3 MR. STANCIL: Your Honor, I think most of the
4 creditors have not seen the latest version. Could you zip
5 that around as well?

6 THE COURT: So he's e-mailing around, not the Court.
7 Printing out 25 copies, the latter's not going to happen.

8 MR. STANCIL: Understood.

9 THE COURT: And so I will make an exception to the
10 rule about not using devices to communicate with other people
11 from the courtroom -- remember that rule -- for this
12 particular -- in response to this particular request. Thank
13 you.

14 MR. WEISFELNER: Your Honor, with your permission?

15 THE COURT: Yes.

16 MR. WEISFELNER: I'm going to leave. My partner,
17 Sunni Beville, is here and otherwise up to speed on any issue
18 that may involve the Special Claims Committee. Thank you,
19 Judge.

20 THE COURT: Thank you, Mr. Weisfelner. Safe
21 travel.

22 MR. WEISFELNER: Thank you.

23 THE COURT: All right. Just give me one more second
24 to get my papers in order.

25 So this is docket entry 4417, Mr. Hein's Response to

1 COFINA's 13th Omnibus Objection to Claims.

2 MR. ROSEN: Yes.

3 THE COURT: Sorry.

4 MR. ROSEN: I'm sorry.

5 THE COURT: Hold on.

6 Okay. So I have Mr. Hein in New York. I have
7 Mr. Rosen.

8 MR. ROSEN: Your Honor, this was our 13th Omnibus
9 Objection. I don't know if you want me to go through any
10 aspects of it first, or let Mr. Hein state what his position
11 is and then we'll just respond.

12 THE COURT: I think the latter. The Omnibus
13 Objection was premised on the bond claims being duplicative of
14 the master bond claim filed by the Trustee, correct?

15 MR. ROSEN: Correct, Your Honor, and you addressed
16 that at the March Omnibus when you granted with respect to
17 everyone but Mr. Hein.

18 THE COURT: Yes.

19 MR. ROSEN: Okay.

20 THE COURT: So we've allocated 15 minutes on the
21 Agenda on this. So, Mr. Hein, you have a total of eight of
22 those minutes. Do you want to save any for reply?

23 MR. HEIN: I'd like to save just a minute or two.
24 And I was not consulted by the FOMB's counsel on the timing
25 they put in the Reply. That is the first time they've

1 actually made arguments beyond one sentence, and I would like
2 to be able to respond to the Reply. I will be as brief and
3 succinct as I can.

4 THE COURT: Thank you. So we'll put you down for six
5 minutes for your first segment.

6 MR. HEIN: Your Honor, the COFINA 13th Omnibus
7 Objection was expressly labeled non-substantive, and the only
8 reason COFINA gave for objecting to my claim was that my claim
9 was supposedly duplicative of one or more Master Proofs of
10 Claim filed by the Trustee.

11 The Omnibus presented no arguments specific to my
12 claim for why my claim was duplicative. COFINA just repeated
13 the same conclusory sentence as -- to my claim as to hundreds
14 of others.

15 This Omnibus was made under 3007(b), which requires,
16 as is pertinent here, that an objection be based solely on the
17 limited grounds for an Omnibus objection allowed by that Rule,
18 3007(d)(1). Pertinent here, the objection must be, quote,
19 based solely, unquote, on the ground that claim is, quote,
20 duplicate, close quote, of other claims.

21 And in a tacit recognition that COFINA can't meet
22 that narrow standard, they've actually asserted a number of
23 claims, including substantive claims, on reply. And I submit
24 this is improper on multiple levels. New grounds on reply are
25 not proper. It's also improper to belatedly raise substantive

1 arguments on reply on a motion that was expressly captioned,
2 quote, non-substantive.

3 Third, the tactic violates 3007(d), which requires,
4 as pertinent here, that an Omnibus be based solely, closed
5 quote, on the grounds of being, quote, duplicate, closed
6 quote.

7 COFINA argues in Reply that I supposedly
8 misunderstand the nature of a claim, but COFINA's reference to
9 the definition of claim begs the question of what is, quote,
10 duplicate, closed quote. Even on reply, COFINA does not cite
11 any statutory provision or case law to support its argument
12 first advanced on reply that a claim that asserts additional
13 causes of action is somehow a duplicate.

14 The dictionary definitions, because there's none in
15 chapter -- or Title XI that I saw, is -- duplicate is, one of
16 two or more identical things or something that is an exact,
17 quote, exact, close quote, copy of something else. And the
18 COFINA Reply contradicts itself. At page eight, COFINA
19 argues, it's immaterial that Hein believed he had additional
20 causes of action against COFINA and other entities beyond
21 those asserted by BNYM, but COFINA goes on to say, quote,
22 because, as a creditor, he could continue to assert those
23 claims even after his claims were disallowed, close quote.
24 The suggestion that I can continue to assert my claim I think
25 undermines COFINA's position in seeking disallowance.

1 Your Honor, COFINA also ignores that my claim was
2 first. I filed my claim before BNYM filed any claims.
3 Nothing in the BNYM refers to my prior filed claim or purports
4 to override my prior filed claim. COFINA cites to no law to
5 support the notion that Bank of New York Mellon had the
6 authority to somehow sub silencio override my claim.

7 And I think the proof of the pudding that the claim
8 is not a duplicate is apparent when you actually look at the
9 claim and the boxes checked. On question six, do you have a
10 claim against a specific agency or department of the
11 Commonwealth of Puerto Rico? BNYM checked no. I checked yes,
12 and then provided an attachment with my grounds. How can a
13 claim checking yes be a duplicate of a later filed claim that
14 checks no? Fundamentally, BNYM did not assert my claims,
15 certainly did not advocate for my claims.

16 Turning to COFINA's new argument advanced for the
17 first time on reply that my claims beyond the Trustee's should
18 be subordinated. Not only is this an improper new argument on
19 reply, it's a substantive argument. It's not appropriate on a
20 supposed non-substantive motion. It also has nothing to do
21 with whether a claim is a duplicate.

22 And I submit as well that it's not at all clear to me
23 that 510(b) applies. The cases COFINA cites appear to involve
24 unsecured rescission damages or contribution claims arising
25 out of securities or securities transactions. Even if,

1 hypothetically, my claim were subordinate under 510(b), that
2 would not justify the complete allowance -- excuse me, the
3 complete disallowance of my claim, which is what COFINA is
4 seeking on this application.

5 THE COURT: And in that connection, I would just note
6 that class ten of the Confirmed COFINA Plan embraces claims
7 covered by Section 510(b). And so it does -- it would seem
8 anomalous to disallow a claim to the extent it would fall into
9 a specific class in a plan.

10 MR. HEIN: In any event, Your Honor, this is a
11 substantive point. How can a point of substance be granted on
12 a non-substantive motion that is based on whether something is
13 a duplicate? It's totally improper.

14 Finally, I want to address the new argument on reply
15 that supposedly my claim was discharged by confirmation. This
16 was improperly raised for the first time on reply. It's also
17 improperly a substantive claim. And I submit, Your Honor, at
18 most what this would be is an argument for deferring,
19 deferring consideration of COFINA's objection to my claim
20 until after the resolution of my First Circuit appeal.

21 Thank you.

22 THE COURT: Thank you.

23 Mr. Rosen.

24 MR. ROSEN: Thank you, Your Honor.

25 Your Honor, what we have in front of you is a

1 creditor who is essentially refusing to acknowledge what the
2 Court has already done, which is to confirm the COFINA Plan, a
3 Plan that has gone effective in February of this year.

4 Mr. Hein filed five pleadings ostensibly responding
5 to the Omnibus Objection. There was the Response, the
6 Supplement, the Second Supplement, the Third Supplement and
7 the April Supplement. Only three of them actually vaguely
8 referred to the fact that the 13th Omnibus Objection had been
9 filed. The balance of those, Your Honor, were just the
10 ongoing thoughts and musings of Mr. Hein with respect to the
11 confirmation process and how this Court failed to consider
12 what he believes to be his valid claims (sic) to confirmation
13 and consummation of the Plan.

14 THE COURT: You mean his valid objections?

15 MR. ROSEN: I'm sorry?

16 THE COURT: You said what he believes to be his valid
17 claims. I assume you mean --

18 MR. ROSEN: I'm sorry. His valid objections, Your
19 Honor.

20 Mr. Hein has filed an appeal of the confirmation
21 itself, and that appeal is subject to I believe, Your Honor, a
22 Motion to Dismiss which is currently pending. And Mr. Hein
23 has asked for more time to respond to the Motion to Dismiss
24 before the First Circuit.

25 The fact of the matter is, Your Honor, that Mr. Hein

1 has filed a Proof of Claim that while on its face may include
2 more arguments as to the repayment of the bond claim, but it
3 in fact is the same bond claim that was the subject to the
4 CU -- or the CUSIPs that were subject to the 13th Omnibus and
5 included in the Bank of New York Mellon Proof of Claim.

6 And just because he has cited additional theories as
7 to why he should get paid more money, it's the same money,
8 Your Honor, that was allowed pursuant to the Bank of New York
9 Mellon claims, pursuant to the Confirmation Order, and it's
10 the same claims that Mr. Hein has already received payment on
11 pursuant to confirmation of the Plan.

12 He goes to the additional theories that he now has,
13 and, Your Honor, we did make note that if, in fact, his
14 theories are with respect to the purchase and sale of
15 securities, they would in fact be 510 subordinated claims.
16 And Your Honor is correct, they were class ten pursuant to the
17 Plan itself, and they would, pursuant to the Plan, even if
18 they were allowed, receive no distribution pursuant to the
19 Plan, because all of those claims, Your Honor, received no
20 distribution. And all of those claims were subsequently then
21 discharged as part of the Plan process.

22 THE COURT: But isn't it clear that the Master Claim
23 filed by the Bank of New York is a claim for payment in
24 respect of the terms of the security, and it didn't purport to
25 raise constitutional or any other theories or any other types

1 of claim for damages or fraud or anything else in respect of
2 the purchase and sale of those securities? And so why should
3 I construe the Bank of New York Mellon's Master Claim as
4 entirely duplicative of and superceding Mr. Hein's claim? Why
5 shouldn't -- you know, in addition to the arguments that
6 Mr. Hein has raised about substantive elements of this not
7 coming out and being articulated until the Reply, why
8 shouldn't I simply consider this duplicative objection to the
9 extent it concerns the element of Mr. Hein's claim that does
10 in fact map on to the Master Claim that says, here are these
11 CUSIP numbers; these bonds are entitled to consideration in
12 respect of the returns?

13 MR. ROSEN: Your Honor, you are correct, it was a
14 claim with respect to the payment; and it did not go to the
15 multiple additional theories that Mr. Hein is advocating and
16 that he believes he included in his attachment to the Proof of
17 Claim.

18 I believe he attached -- I think the Court has the
19 benefit of that. It's a two-page attachment where he goes
20 through the basis of the claim. And, Your Honor, he does have
21 a reservation of rights in there, you are correct, with
22 respect to his constitutional arguments. If in fact those are
23 the case, Your Honor, I believe they would still fall within
24 the gambit, though, of the additional class, the class ten
25 itself.

1 THE COURT: So let me try to be clear. If I'm going
2 to grant the Objection, the Omnibus Objection, it seems to me
3 that it should be granted only with respect to the bond
4 payment element of the Proof of Claim; and the question of
5 whether everything else is covered by class ten is something
6 on which there's obviously some disagreement today but --

7 MR. ROSEN: Yes.

8 THE COURT: -- isn't properly resolved within the
9 context of this particular duplicativeness objection.

10 MR. ROSEN: That is correct, Your Honor. You are
11 correct.

12 THE COURT: And so would that be, you know, an
13 appropriately narrow and responsive solution to the problem
14 that we have in connection with this non-substantive
15 duplicative objection?

16 MR. ROSEN: That would be a fine solution, Your
17 Honor. I would also point out that all assets of COFINA were
18 distributed, so I'm not sure what, if anything, could be done
19 at this point in time, but I would like to note that for the
20 record.

21 THE COURT: Yes. I know that you're --

22 MR. ROSEN: Pursuant to the Plan, everything is
23 gone.

24 THE COURT: And you're arguing equitable mootness in
25 the First Circuit I read.

1 MR. ROSEN: That is correct, Your Honor.

2 THE COURT: Yes.

3 MR. ROSEN: So your solution would be a fine solution
4 to this. It would be getting rid of I guess all aspects of
5 Mr. Hein's claim but for that which you have articulated might
6 remain.

7 THE COURT: Thank you.

8 MR. ROSEN: Your Honor, that would be all I would
9 offer at this time then.

10 THE COURT: Thank you.

11 Mr. Hein.

12 MR. HEIN: Your Honor, as was pointed out, and as I
13 think I said in my opening remarks, I do have an appeal in the
14 First Circuit. I don't think that ought to be prejudged. And
15 respectfully, I don't think there is any reason to be
16 disallowing certainly all and, frankly, I don't think there's
17 any reason to disallow part of my claim while that appeal is
18 pending, nor is there any necessity of doing that now as
19 opposed to deferring it until the First Circuit rules.

20 And I think Mr. Rosen effectively I think is
21 acknowledging that when the -- I answer questions yes, and the
22 Trustee on his claim answers no, my claim is clearly not
23 duplicative. And the points that he's raising are
24 fundamentally substantive and not appropriate on an objection
25 denominated non-substantive.

1 So I would urge Your Honor to take into account the
2 fact that I have an appeal and the lack of a necessity to rule
3 pending the ultimate resolution of that appeal.

4 THE COURT: Thank you.

5 Give me just one moment. Sorry. Did --

6 MR. ROSEN: No, Your Honor. I was just going to
7 indicate I don't think the pendency of the appeal has anything
8 to do with respect to the existence of the 13th Omnibus
9 Objection. I think they're totally distinct issues and can be
10 handled at this time.

11 THE COURT: Thank you.

12 If you'll both just bear with me for a moment. Thank
13 you.

14 Before the Court is Mr. Hein's response to the 13th
15 Omnibus Objection, which is denominated as non-substantive, to
16 duplicate bond claims. And we are relating this to docket
17 entry number 4417.

18 The Motion, as originally articulated, seeks an Order
19 disallowing certain Proofs of Claim, including Mr. Hein's
20 Proof of Claim number 10701, on the basis that the Proofs of
21 Claim are duplicative of one or more Master Proofs of Claim
22 filed on behalf of holders of COFINA bonds.

23 The Bank of New York Mellon has filed a claim in
24 respect of the rights under the bond instrument, and the Court
25 finds that, notwithstanding the differential in tick boxes,

1 Mr. Hein's claims, to the extent he seeks recovery under the
2 bond instrument, is duplicated by the Master Claim. And they
3 should not both co-exist, and it is efficient to strike that
4 element of Mr. Hein's claim as duplicative. I deny Mr. Hein's
5 request that I hold that determination pending the
6 determination of his appeal.

7 Mr. Hein did, in his Proof of Claim, assert claims
8 premised on other theories. He asserts that his Proof of
9 Claim targets a broader set of rights than just payment of
10 COFINA bonds, including entitlement to all rights and claims
11 under applicable law, including the Constitutions of the
12 United States and Puerto Rico. The Bank of New York Mellon
13 Claim did not purport to assert such claims, and so it would
14 be inappropriate to disallow that element of Mr. Hein's Claim
15 in response to the 13th Omnibus Objection.

16 Therefore, the Motion is granted as to the
17 duplicative bond payment rights under the instrument aspect of
18 Mr. Hein's Proof of Claim only, and the Omnibus Objection is
19 overruled as to the remainder of Mr. Hein's Claim. And I will
20 direct the -- I am directing the Oversight Board to file on
21 presentment an amended form of order disallowing Mr. Hein's
22 Claim in part as duplicative.

23 MR. ROSEN: We will do that, Your Honor.

24 If I could ask the Court's indulgence on one aspect.
25 The bones of what Mr. Hein is suggesting is included in

1 paragraph -- or the second and third paragraphs of paragraph
2 nine of his -- or section nine of his attachment to his Proof
3 of Claim, and they are just two sentences.

4 And, Your Honor, it would be very difficult for us to
5 address that in any proceeding without Mr. Hein putting a
6 little bit more meat on those two bones. And so I would ask
7 the Court if we could set a timetable for Mr. Hein to
8 embellish his theories, so we could adequately respond and
9 object to those, because what we have now is incapable of an
10 adequate response.

11 THE COURT: Mr. Hein?

12 MR. HEIN: I guess, Your Honor, my suggestion would
13 be that maybe Mr. Rosen and I ought to have a discussion. You
14 know, I think it would be useful for us to have a discussion.

15 THE COURT: I agree with Mr. Hein, and if that
16 discussion isn't fruitful, I suppose you can always make a
17 subsequent objection to that remaining portion of the
18 individual claim as insufficiently documented or fleshed
19 out.

20 MR. ROSEN: We'll do that, Your Honor. Thank you.

21 THE COURT: Thank you.

22 All right. Now we will turn to Mr. Hein's Motion to
23 Appoint a Committee for individual and other modest-sized
24 bondholders. That is ECF entry number 6128 in the 3283
25 docket.

1 Mr. Hein, you are the movant, and I will start you
2 off again with eight minutes in total. Do you want to reserve
3 two of those?

4 MR. HEIN: I would make the same request. Again, I
5 wasn't consulted by the Oversight Board on the timing.

6 THE COURT: I have determined that the timing is
7 reasonable, and so you have eight minutes. How much time do
8 you want to use for your opening remarks?

9 MR. HEIN: Six.

10 THE COURT: Thank you.

11 MR. HEIN: So, Your Honor, at the outset I wish to
12 confirm that Your Honor has the Reply that we served on April
13 16. It's docket 6487. My Reply is --

14 THE COURT: Yes, I do.

15 MR. HEIN: Okay. Thank you.

16 THE COURT: I have it, and I reviewed it at the time
17 you e-mailed the courtesy copy. So I haven't just had it
18 since it hit the docket.

19 MR. HEIN: Thank you, Your Honor.

20 The first three points in my motion seek measures to
21 level the playing field for participation by individuals such
22 as myself whose bonds are being attacked as invalid. There is
23 no valid reason to prohibit pro se litigants from using the
24 Court's electronic filing system.

25 The First Circuit does this. I've looked at the

1 First Circuit Rules. They're online. Their user guide
2 revised on February 13, 2018, page six, specifically allows
3 pro se litigants the option of using its CM/ECF system.

4 THE COURT: Mr. Hein --

5 MR. HEIN: The District of Massachusetts, again,
6 their administrative --

7 THE COURT: Mr. Hein, this is a court level decision
8 under the policies of the judicial conference. I am well
9 aware that other courts, including the First Circuit, permit
10 pro ses to use ECF, sometimes subject to restrictions and
11 special approvals.

12 The potential volume of pro se filings is very
13 different court to court, and this court, the District of
14 Puerto Rico, has established in its administrative procedures,
15 and reflecting the particular rules and needs of this court,
16 that pro se filers are not permitted to file on ECF.

17 MR. HEIN: Your Honor, I would also point out that,
18 and the Oversight Board has kind of alluded to the fact of,
19 well, I'm an attorney. Well, it is not -- you have to be
20 admitted in the District of Puerto Rico to use the CM/ECF
21 system, and it is not -- it is not a simple and easy and
22 inexpensive matter for an attorney acting pro se to instead
23 appear pro hoc vice in the District of Puerto Rico.

24 The local Rule 83(A)(f) and the pro hoc vice
25 admission form requires that pro hoc attorneys associate with

1 local counsel, which local counsel must then attend all
2 proceedings, sign all pleadings. Item three of the form
3 requires a specification of a client. It clearly anticipates
4 attorneys with clients, not attorneys acting pro se. They
5 also have a fee per pro hoc admission that is equivalent, I
6 believe, to their overall bar admission fee.

7 So I just want to be clear, I don't think that is a
8 practical option given the modest amounts that I and others
9 may have here.

10 THE COURT: You don't think that's a practical --

11 MR. HEIN: It's an issue --

12 THE COURT: Mr. Hein, you don't think that's a
13 practical option given the hundreds of thousands of dollars
14 you say you have in this investment alone, and the -- and your
15 own personal situation? You're saying that's impractical or
16 impossible for you?

17 MR. HEIN: I think I would eat up fully any potential
18 delta in the recovery by the cost many fold. It is simply not
19 practical.

20 I only have 100,000 par bond that is being challenged
21 as invalid. And I object to that challenge, but, you know,
22 the delta between what one would get under any circumstance
23 and what incrementally one might get through pressing the
24 matter in litigation is not going to warrant any of those
25 expenditures, Your Honor.

1 If there is some technical issue with using the
2 Puerto Rico CM/ECF system under their local rules, I would
3 submit, Your Honor, that pro se litigants should be given an
4 e-mail address at Prime Clerk. They can submit papers by
5 e-mail to Prime Clerk. They're the notice agent for the
6 Commonwealth. They serve papers for the Commonwealth. They
7 could be the recipient to accept the papers by pro se
8 litigants and get them docketed.

9 And I think, Your Honor, having an efficient means
10 for pro se litigants to operate here is the only way Your
11 Honor is going to be able to adhere to the type of timetables
12 that seem to be contemplated in these cases.

13 Let me address my application for appointment of a
14 committee of individual bondholders. As my Reply made clear,
15 I have not suggested adding individual bondholders to the UCC,
16 but I think in light of the attacks on validity, it is
17 essential to have an individual bondholder committee.

18 There are hundreds, I think probably over 15 hundred
19 individuals who have filed pro se notices. The committee
20 would serve an important coordinating role. In the
21 alternative, if there's going to be one committee for all
22 general obligation bondholders, there should be individual
23 representation on that committee, and it should be bondholders
24 who are defending the validity of all bonds, not picking and
25 choosing between slices to maneuver for their advantage.

1 There are -- the Oversight Board says, well, there
2 are these ad hoc groups already existing, but as we saw in the
3 COFINA situation, you have these ad hoc groups maneuvering to
4 further their particular individual slice as opposed to
5 operating for the benefit of all bondholders and defending the
6 validity and the recoveries for all.

7 If Your Honor is prepared to make legal rulings on
8 every issue that can be appealed if appropriate, so we have
9 definitive legal rulings, that's one thing; but if there's any
10 thought going down a negotiated path, as it occurred with
11 COFINA, I think it's apparent it's essential that there be a
12 committee that represents individual bondholders. One cannot
13 count on the different larger groups to be fairly representing
14 individuals in a negotiation.

15 And then finally, if I may just make a final point,
16 Your Honor, the FOMB argues that whether someone bought at par
17 or whether someone bought at a discount should not be of legal
18 significance. When you get into any negotiated environment, I
19 think, Your Honor, it makes a big difference whether someone
20 bought pre-PROMESA based on the representations and
21 attestations by Puerto Rico in an environment where your
22 rights as a bondholder could not be overridden by some vote,
23 versus bondholders who bought post PROMESA with awareness of
24 the default, with awareness of a change in the legal rubric
25 that is claimed here.

1 Thank you.

2 THE COURT: Thank you.

3 Mr. Stancil.

4 MR. STANCIL: Your Honor, may I take 60 seconds? I
5 think we were the only party to file in support of Mr. Hein's
6 motion.

7 THE COURT: Yes.

8 MR. STANCIL: Just very briefly, Your Honor, we agree
9 most strenuously with Mr. Hein's alternative request, which is
10 appointment of a bondholder committee consisting of large and
11 small bondholders. But if I could, just to underscore the
12 importance of a committee's coordinating function, but based
13 on what we were discussing earlier this morning with respect
14 to the multiplicity of parties and claims and bonds, I think
15 regardless of the fate of the motion we were arguing this
16 morning, this case will become more complicated as the weeks
17 and months progress, not less complicated.

18 And we believe a committee will serve a crucial
19 coordinating function, instead of having at every motion or
20 every hearing to try to organize the cavalcade of interested
21 pro se parties, potentially hundreds. And they may not all be
22 pro se. We may have plenty of people who are not in an ad hoc
23 group who want their own counsel to appear. We think a
24 committee would bring that together.

25 We think it should have large and small on it.

1 That's preferred. But we want to make that -- maybe the guy's
2 going to be fielding a lot of phone calls in the next few
3 weeks. We think it would be very, very helpful.

4 THE COURT: Thank you.

5 MR. STANCIL: Thank you, Your Honor.

6 THE COURT: And, Mr. Despins? So there were seven
7 minutes left for everybody else. So Mr. Stancil took a
8 minute, and between you and the Oversight Board, you have
9 three and the Oversight Board has three.

10 MR. DESPINS: Okay. I'll speak quickly, Your Honor.

11 The general principle, as we said in our Objection,
12 is that there should be one committee only, and that courts
13 really are reluctant to appoint additional committees,
14 especially when the creditors seeking that are secured
15 creditors, which is the position of Mr. Hein and of the GOs.

16 Only one party supported that request, which is the
17 GO Group, and of course they would be very happy to have the
18 Committee pick up their fees. But here there's an issue about
19 what is the scope of this committee that they're talking
20 about.

21 First, you rejected a similar request early on in the
22 case, but, you know, basically, par buyers, not par buyers,
23 people who have been objected to, people who have not been
24 objected to, and then the committee would represent people
25 with respect to the objections, which is very unusual.

1 Meaning that if somebody objected to -- I'm trying to come up
2 with an example -- to vendors' claims in this case, I couldn't
3 appear to start defending the vendor claims. So now we would
4 have a committee represent people in the context of an
5 objection for secured creditors. That's really not
6 appropriate.

7 There is an information need, and I'll acknowledge
8 that. We intend to deal with that when we come back to Your
9 Honor with respect to the procedures to be followed, because
10 we probably will need to change them. But we believe that can
11 be dealt with. Certainly as to what we call phase one of the
12 objection process, which we contemplate to be a very straight
13 issue of has the Constitution been -- the debt limit been
14 exceeded or not.

15 And there'll be like five or ten firms representing
16 the holders saying no, it was not exceeded. So -- and we
17 believe in that context, there should be communications. And
18 I think we can propose communications, and we could send --
19 propose to the Court communications the Committee could send
20 to the holders advising them of this two-phase process.

21 But we think it's premature at this phase to consider
22 this, because, as I said, we don't know the limits of this; we
23 don't understand exactly what it will lead to; but on top of
24 that, they're secured.

25 Thank you, Your Honor.

1 THE COURT: Thank you.

2 Mr. Rosen.

3 MR. ROSEN: Yes, Your Honor. I'll be very, very
4 brief.

5 Mr. Despins is correct, this Court has already
6 considered this very issue, Your Honor. In July of 2017,
7 Mr. Stancil's group filed a motion seeking an Order directing
8 the U.S. Trustee to change the membership of the Committee,
9 and, excuse me, to include -- in the alternative, to include
10 additional members of GOs on that committee. And the Court
11 entered an opinion, Your Honor, at that point denying the
12 motion in its entirety.

13 The fact of the matter is, Your Honor, that not only
14 in this case, but even to the COFINA situation that Mr. Hein
15 referred to, creditors have been very, very adequately
16 represented, and they continue to be adequately represented
17 every time that Mr. Stancil, Morrison Foerster Group, and
18 other groups representing the GO people stand up to be heard.

19 In the COFINA situation, which Mr. Hein continues to
20 talk about, that Plan was widely accepted, Your Honor, not
21 just by the larger hedge funds that he refers to, but also by
22 the small creditors themselves. In fact, only three creditors
23 came in to oppose and object to confirmation of that Plan,
24 Your Honor. So we believe, Your Honor, that the process that
25 was undertaken there and the representation of both senior and

1 junior bondholders was more than appropriate.

2 Here, Your Honor, in the Commonwealth case, and
3 Mr. Hein is looking for some additional representation in
4 connection with the ongoing claim objection that was
5 interposed by the Special Claims Committee and the Unsecured
6 Committee, Mr. Despins is correct. There is going to be the
7 phase one, as he referred to it in his papers. The question
8 of whether or not the claims or the bonds were issued in
9 violation of the constitutional debt limit. That is an issue
10 that is going to be widely litigated. It's going to be
11 subject to the procedures that the Court is going to outline.
12 It's going to be the same result for all of the holders,
13 modest, medium or large alike, Your Honor.

14 So we don't think that there needs to be any separate
15 representation, because we know that the issue is -- I think
16 as Mr. Stancil stated it in March at the Omnibus Hearing,
17 that's going to be aggressively litigated. And that was
18 something that the Court picked up on in your comments when
19 you repeated what Mr. Stancil said.

20 So we think, Your Honor, that there's going to be
21 more than adequate representation on that point. If Mr. Hein
22 wants to weigh in on those issues, he should be free to do so,
23 but we don't think the Commonwealth should be burdened with
24 the additional cost of another committee that's going to be
25 arguing the very issues that all of these people will be

1 | arguing in a very complete and comprehensive manner, Your
2 | Honor.

3 | THE COURT: Thank you.

4 | MR. ROSEN: Thank you.

5 | THE COURT: Mr. Hein.

6 | MR. HEIN: Thank you. On the COFINA points, my
7 | disagreement is clear in the written filings I've submitted.
8 | I'm not going to repeat that.

9 | But then there was the suggestion that, well, one
10 | ought to be reluctant to appoint the requested committee
11 | because these are secured creditors. And yes, secured
12 | creditors, creditors who were given Puerto Rico's pledge of an
13 | irrevocable pledge, first claim, never defaulted attestations.
14 | And at a time, certainly in my case, when one couldn't just
15 | throw it up for a vote as to whether or not I get my principal
16 | or interest.

17 | And I submit, Your Honor, that costs here could
18 | strictly be kept I think very modest, A, through coordination,
19 | and B, by the Court scrutinizing fee applications. And I
20 | totally agree the Court should carefully scrutinize fee
21 | applications here, but when the FOMB and UCC are spending the
22 | large sums that I see being spent in attacking bondholders and
23 | seeking to deprive them of their investments, I think it turns
24 | logic on its head to say these bondholders, including
25 | bondholders such as myself, who bought at a time when this was

1 attested to be an irrevocable pledge, first claim, never
2 defaulted, to have the people attacking us, basically have
3 unlimited funding to attack, and not to have a committee with
4 some modest funding to defend, I think, Your Honor, is a grave
5 injustice.

6 And if anyone's cost ought to be provided for
7 defense, it should be the general obligation secured
8 bondholders who do have that irrevocable pledge, first claim
9 on the Puerto Rico revenues. Thank you.

10 THE COURT: Thank you.

11 MR. STANCIL: Your Honor, may I address the cost
12 point? Because I think Mr. Despins was assuming we were going
13 to have our fees picked up by the committee. It's not
14 correct. I believe we'd still be doing quite a bit of the
15 lifting, but we'd be coordinating with a committee counsel.

16 So I do agree with Mr. Hein that, you know, unless
17 it's a large and small bondholder committee -- I think the
18 committee's cost would be relatively modest, but you'd get a
19 tremendous bang for the buck in terms of winnowing down the
20 presentations to the Court, the discussions, these sorts of
21 exchanges. Thank you.

22 THE COURT: Thank you.

23 I've considered very carefully the submissions and
24 arguments with respect to this motion, which is number 6128 in
25 17-3283. The motion makes four requests for relief. The

1 first two of which are closely related.

2 The Court is denying the motion, but will grant a
3 more limited form of relief as to one of Mr. Hein's requests.
4 I will now address each of the requests.

5 Mr. Hein's first request for relief asks that the
6 Court set aside the District of Puerto Rico's ordinary
7 policies and practices and allow pro se parties to register
8 for CM/ECF. The second request is an alternative to the
9 first, requesting that the Court Order the debtors' claims and
10 noticing agent, Prime Clerk, to act as a docketing
11 intermediary for pro se parties and file documents that it
12 receives from such parties on the dockets of these Title III
13 cases. Both of those requests are denied.

14 The District of Puerto Rico's Rules and the Court's
15 practices provide a means for all parties to participate in
16 these Title III cases, to protect their interests and ensure
17 that justice is done in a fair and efficient manner. Parties
18 in interest who are represented by counsel in Puerto Rico or
19 who have counsel who have associated with Puerto Rico counsel
20 are able to use the CM/ECF system.

21 Pro se parties in interest can and regularly do
22 participate in these cases by providing paper filings to the
23 Clerk's Office in the District of Puerto Rico. Like all other
24 parties in interest, Mr. Hein can make and has made his voice
25 heard in these cases through one of these methods. And as he

1 himself has acknowledged, he has an option to retain local
2 counsel and apply for pro hoc vice admission to the court.
3 And that is an option, and he has a decision to make in that
4 regard.

5 While there is no doubt a burden involved in using
6 any of these options, they are fair and adequate means of
7 participation. All parties are equally subject to the same
8 range of burdens, and Mr. Hein has not demonstrated cause to
9 depart from the ordinary practices of the court.

10 I would note that in the future, Mr. Hein, you don't
11 need to send paper courtesy copies of your filings to me in
12 the Southern District of New York courthouse. Your e-mailed
13 courtesy copies suffice for the Court. So the only paper copy
14 that you need to provide to the Court is the copy that you
15 transmit to the District of Puerto Rico for filing. And to
16 the extent the CMO contemplates paper filings to other
17 constituencies that are comfortable with ECF, I would invite
18 you to let Mr. Hein know that. So Mr. Hein's third request
19 for relief -- I'm sorry, comfortable with e-mail in addition
20 to ECF, because of the timing problem there.

21 So the third request for relief seeks permission for
22 pro se parties to register to monitor hearings by telephone.
23 The Participation Orders in these cases provide that only
24 attorneys who have filed Notices of Appearance may register to
25 listen in on proceedings via Court Solutions. However,

1 Mr. Hein is an attorney and he's active in these cases in his
2 capacity as a pro se party in interest. Under these
3 circumstances, I find it appropriate to permit Mr. Hein to
4 register for Court Solutions so that he may listen
5 telephonically to any of the proceedings in these cases
6 subject to any fees or other requirements to which all Court
7 Solutions users are ordinarily subject. And the Court will
8 enter an Order granting this permission.

9 Mr. Hein is representing only himself in these
10 proceedings, and this ruling is particular to Mr. Hein. It is
11 not general permission for all pro se parties to use Court
12 Solutions.

13 Mr. Hein's fourth request is for an appointment of an
14 official committee of holders of Commonwealth General
15 Obligation Bonds. He requests that such a bondholder
16 committee be comprised of individuals who have holdings of
17 less than two and a half million dollars and who purchased
18 their bonds at or near the price at which they were originally
19 offered. He has also suggested, as an alternative, a more
20 diverse I guess bondholder committee, and Mr. Stancil has
21 joined in a request for a large and small committee.

22 Section 1102(a) of the Code governs the formation of
23 committees of creditors and provides that the U.S. Trustee
24 shall appoint a committee as the U.S. Trustee deems
25 appropriate, and provides that a Court may also appoint

1 additional committees of creditors if necessary to assure
2 adequate representation of creditors.

3 A movant seeking appointment of an additional
4 committee must demonstrate that the committee is necessary for
5 adequate representation. This is a high standard that is far
6 more onerous than if the statute merely required that a
7 committee be useful or appropriate. See *In Re SunEdison Inc.*,
8 556 B.R. 94, at 103, Southern District of New York Bankruptcy,
9 2016.

10 In exercising their discretion, Courts also consider
11 practical considerations, like the complexity of the case and
12 the costs that would be associated with appointing additional
13 committees. *In Re Wang Labs, Inc.*, 149 B.R. 1, at 2, (Bankr.
14 D. Mass. 1992).

15 In particular, Courts are sensitive to the reality
16 that appointment of additional committees is closely followed
17 by applications to retain lawyers and other professionals. *In*
18 *Re Wang Labs*, at 4.

19 The movant has not met his burden of demonstrating
20 that the appointment of the committee suggested is necessary,
21 and in any event, the Court is not persuaded that it should
22 exercise its discretion to order the appointment of such an
23 official bondholders committee.

24 There can be little question that these cases are
25 extraordinarily complex. However, there already are numerous

1 parties, including bondholders and monoline insurers, as well
2 as ad hoc groups of bondholders with sophisticated counsel and
3 professionals that are aligned with the interests of General
4 Obligation Bondholders like Mr. Hein.

5 Mr. Hein argues that some of these groups do not have
6 precisely the same interests as bondholders who purchased
7 certain issuances of bonds, or who purchased bonds at their
8 initial offering prices, but the fact that some bondholder
9 groups have different interests than does Mr. Hein does not
10 mean that at least some of those other groups do not share
11 Mr. Hein's interest in defending the validity of the
12 particular issuances of General Obligation Bonds, and
13 maximizing the value of those bonds.

14 Furthermore, taking it to its logical conclusion, Mr.
15 Hein's rationale would require the Court to appoint committees
16 to represent the interests of subgroups of holders of
17 practically every type of debt issued by any of the Title III
18 debtors, and that outcome is just unworkable. And expenses
19 associated with litigating issues relating to bond holdings do
20 not in and of themselves demonstrate that a committee is
21 necessary. Indeed, it's the norm in American litigation that
22 parties bear their own expenses.

23 Underpinning the motion are several complaints about
24 aspects of the COFINA Plan of Adjustment and disclosures,
25 payments and distributions made in connection with the

1 Confirmed COFINA Plan. The motion is not a proper vehicle for
2 relitigation of issues that the Court has already addressed in
3 connection with the COFINA Plan.

4 The Court, thus, will enter an Order denying
5 Mr. Hein's motion, except to the extent that he individually
6 is granted permission to register for listen only Court
7 Solutions telephonic participation in PROMESA proceedings.
8 Thank you.

9 And thank you again, Mr. Hein.

10 MR. HEIN: Thank you.

11 THE COURT: So this takes us to the Marrero
12 plaintiff's Motion for Relief from Stay. That's ECF number
13 1074 in 4780.

14 Ms. Fegan.

15 MS. FEGAN: Yes. Good afternoon, Your Honor.

16 THE COURT: You will have eight minutes as the
17 movant. How much would you like to save to reply?

18 MS. FEGAN: Just one minute to reply, Your Honor.

19 THE COURT: All right. Thank you.

20 MS. FEGAN: Thank you. My name is Elizabeth Fegan.

21 I represent millions of residents and businesses in Puerto
22 Rico who paid for their electricity bills with a fuel oil
23 surcharge on them. It's a certified class that was certified
24 by Judge Garcia Gregory after almost four years of litigation.

25 That litigation included discovery. It included

1 depositions. It included multiple rounds of motions to
2 dismiss. It even included an appeal to the First Circuit that
3 was rejected and sent back.

4 During the course of these proceedings, PREPA and 18
5 other defendants, non-debtor defendants, agreed to a
6 Stipulation to lift the stay as a result of these bankruptcy
7 proceedings, an Order to allow Judge Garcia Gregory to
8 consider class certification.

9 Judge Garcia granted our Motion for Class
10 Certification in the fall of 2018. Immediately PREPA and the
11 other defendants moved to reinstate the stay before the notice
12 required by Federal Rule of Procedure 23 was issued to the
13 class to advise them that the class had been certified, to
14 advise them they were now bound by this Order, and to further
15 give them notice of their due process rights.

16 In seeking to lift the stay that's now in place in
17 our case, we are very mindful of the *Sonnax* factors, and
18 therefore, we've asked for limited relief. We have asked for
19 relief from the stay, but we've agreed as follows: One, it
20 would first be for the purposes of giving the due process
21 notice that the class is entitled to under Rule 23. Two, we
22 would first and foremost seek discovery from the non-debtor
23 defendants. These are some of the world's largest oil
24 companies, these are laboratories here in Puerto Rico that are
25 not part of these proceedings.

1 We would only seek discovery from PREPA to the extent
2 PREPA was the sole holder of the information, and we would
3 phase that discovery to ensure that we didn't come out of the
4 box with any kind of aggressive discovery against PREPA.
5 There's plenty to do with respect to the oil company
6 defendants and the laboratory defendants.

7 THE COURT: PREPA suggests in its papers that the
8 defendants have not been so reticent in their projections of
9 their anticipated interactions with PREPA on the discovery
10 front or otherwise if the stay were lifted, even under the
11 conditions that you've proposed.

12 MS. FEGAN: Your Honor, the District Court, both
13 Judge Garcia Gregory as well as the Magistrate Judge, have
14 been very active in phasing discovery in this case to reduce
15 the burdens on defendants. In fact, they entered an Order
16 that's typically not entered anymore in class actions
17 bifurcating discovery between class and merits. And in that
18 sense, they've already discussed with the parties the desire
19 to reduce the burden on the defendants, and I would assume
20 that sense would be heightened here if the stay was lifted to
21 ensure that there weren't burdens put on PREPA just for the
22 sake of those burdens.

23 In fact, many of the interactions that we would be
24 seeking are documents, by way of example, are documents that
25 the oil companies would already have. The communications it

1 had with PREPA, we don't need to get those with PREPA. We can
2 get them from the oil company defendants and the laboratories
3 that were doing the actual testing of the non-compliant fuel
4 oil.

5 But probably most significant here under the *Sonnax*
6 factors is the fact we have agreed that we will not seek to
7 collect any judgment from PREPA. So really what we are
8 talking about is the burden of litigation or discovery that
9 PREPA would otherwise have to engage in anyway if it was a
10 Rule 2004 examination, or either way if we would have to get
11 notice to the class, as an example. And those types of
12 burdens are not the burdens Courts look at when they talk
13 about lifting a stay under the *Sonnax* factors.

14 In fact, because we wouldn't be seeking to recover
15 any judgment from PREPA, it's actually a benefit to the other
16 creditors who are here in the courtroom, but also of PREPA
17 generally.

18 THE COURT: But you'd be seeking a finding of
19 liability on the part of PREPA, and you don't have a way of
20 precluding cross-claims and other efforts to inflict pain on
21 PREPA, so wouldn't PREPA have an incentive and a need to
22 participate fully in the defense of the case even if you're
23 not proposing to try to collect directly from PREPA?

24 MS. FEGAN: Your Honor, I'm not aware of any
25 cross-claims. Our claim is a claim for racketeering under

1 RICO. There is joint and several liability among the
2 defendants that are there. I'm not aware of any claims that
3 any of those defendants have asserted against PREPA, and I'm
4 not aware of any Statute of Limitations in effect having been
5 tolled. But you are right, I can't prevent the other
6 defendants from trying to inflict pain through the discovery
7 process, but I'm very confident in the way that the District
8 Court Judge and the Magistrate Judge have overseen discover to
9 date, that they will be quite aware if something's being done
10 for an improper purpose or, frankly, if the documents or other
11 information that those defendants are trying to seek don't
12 reside in their hands already, which I think is a key part
13 that the District Court takes into account when managing its
14 discovery, the discovery processes before it.

15 THE COURT: Thank you.

16 MS. FEGAN: And I think the final *Sonnax* factor which
17 I would like to focus on is the balance of harms. Here we
18 have a certified class that goes back to 2002. It's from 2002
19 to April of 2016. Obviously whether it's because of the
20 weather or because of time going by and witnesses forgetting
21 things, the more time that passes, the more prejudice there is
22 to our class, both in being able to obtain the documentary
23 evidence, as well as having access to witnesses, some of whom
24 have since passed away even during the course of this
25 litigation.

1 And so there is a prejudice that's occurring to the
2 millions of people that are in our class. And if we balance
3 that against the prejudice to PREPA, which is really just the
4 litigation costs, which we agreed we would phase so that we
5 don't interfere with these ongoing proceedings, the balance of
6 harm is here, if the stay is not lifted, rests with the
7 class.

8 THE COURT: Thank you.

9 MS. FEGAN: Thank you.

10 MS. PEREZ: Good afternoon, Your Honor. Diana Perez
11 of O'Melveny and Myers on behalf of AAFAF.

12 THE COURT: Good afternoon, Ms. Perez.

13 MS. PEREZ: We have thoroughly addressed the
14 applicable *Sonnax* factors in our brief, and while I'm not
15 going to go through each factor here today, there are a few
16 points I'd like to highlight.

17 First is the status of the Marrero litigation. As
18 you heard, this litigation has been pending since 2015.
19 However, it's undisputed that there is still much to do in
20 this case. This case is far from trial ready. As movants
21 themselves have said, this case is not even remotely close to
22 being trial ready.

23 Considering the status of the litigation, any harm to
24 movants would be minimal. To address the point that movant's
25 counsel made, there have been litigation holds at PREPA since

1 the start of this litigation.

2 We'd also like to remind the Court that the First
3 Circuit's ruling on the Rule 23(f) petition could be
4 dispositive of this case. If PREPA were required to conduct
5 discovery on the class members and to issue notice to such
6 members, it would incur significant and otherwise
7 unrecoverable expenses. If the class is decertified by the
8 First Circuit, which we believe it likely will be, such
9 discovery and notice may become moot.

10 Additionally, Your Honor, counsel to movants talked
11 about the burdens. We'd like to talk about the burden to
12 PREPA. It's incredibly illusory to say that discovery on
13 PREPA would be unlimited (sic), or that PREPA is a nominal
14 defendant. PREPA and PREPA alone is going to bear the
15 majority of the discovery costs in this case. PREPA is a
16 critical party to the action and is the sole repository, as
17 has been acknowledged by the District Court and the movants,
18 to the majority of the information that would be the subject
19 of discovery.

20 THE COURT: You mean just in connection with class
21 noticing, or do you mean for the entire litigation? Because
22 Ms. Fegan has represented that the labs and oil companies
23 should have duplicates of documents that are at PREPA.

24 MS. PEREZ: With respect to both situations, Your
25 Honor. With respect to the class certification, PREPA is the

1 only party that has access to that information. With respect
2 to the actual litigation itself, as you correctly noted, the
3 non-debtor defendants have themselves said that they're going
4 to vigorously defend themselves and to seek full and complete
5 discovery from PREPA for any information as well.

6 So even if they say that the non-debtor defendants in
7 the first instance may have that information, the non-debtor
8 defendants are still going to come after PREPA, and PREPA'S
9 going to have to vigorously litigate.

10 THE COURT: And I shouldn't take comfort in
11 Ms. Fegan's suggestion that Judge Garcia Gregory and the
12 Magistrate Judge will ride herd on excessive discovery
13 requests by co-defendants?

14 MS. PEREZ: Your Honor, we think even if that does
15 happen, PREPA needs to vigorously defend itself in this
16 action. Movant's counsel mentioned that they don't know of
17 any cross-claims. However, there still may be cross-claims or
18 defense agreements in place right now. Just because there is
19 no judgment being sought from PREPA does not mean that PREPA
20 is not going to vigorously litigate itself, doesn't mean that
21 PREPA is going to have to defend itself from the other
22 non-debtor defendants. So the costs to PREPA are still going
23 to be immense, regardless of whether the non-debtor defendants
24 are going to be the parties that they're seeking judgment from
25 or the parties that they are going to be seeking discovery

1 from.

2 THE COURT: Thank you.

3 MS. PEREZ: As Your Honor has noted, PREPA will have
4 to use its very limited resources to gather the information
5 for the class notices and then prepare for the actual trial.
6 Depositions will need to be taken. Pretrial motions will need
7 to be written. And the eventual trial as well, which as I
8 have noted previously, is not even remotely close to
9 happening.

10 I'd like to just take a moment to discuss the scale
11 of evidence that we're talking about here. This information
12 is immense. We're talking about over one million potential
13 class members, 14 years of data, three thousand potential
14 shipments, 22 various supply contracts, nine different
15 suppliers, and three different laboratories.

16 PREPA would need to take evidence regarding every
17 shipment over those 14 years to determine which shipments
18 included non-compliant fuel, and then identify the customers
19 who used electricity from that fuel. Obtaining this customer
20 information alone will be a burdensome task for PREPA.

21 As PREPA changed its database in 2012, not all of the
22 client data was transferred when the new database was set up
23 in 2012. There is a limited amount of pre-2012 information
24 that is electronically stored at PREPA. The rest of these
25 documents are most likely stored in hard copy at one of

1 PREPA'S warehouses.

2 Lastly, Your Honor, I'd like to address a point that
3 movant's counsel raised regarding litigation costs, that
4 litigation costs should not be the subject of a stay.

5 Contrary to movant's assertion that there are no cases where
6 litigations costs have been considered in keeping the stay in
7 place, we have noted numerous cases in our Reply Brief where
8 litigation costs were considered by the Court and that because
9 the litigation costs would diminish the bankruptcy estate or
10 recoveries to creditors, that those costs actually prejudiced
11 additional creditors.

12 One of those cases, Your Honor, is *Rescap, In Re*
13 *Rescap*, 2012 W.L. 3860586, Bankruptcy, Southern District of
14 New York, August 8, 2012. There the Court held that movants
15 must be treated as any other unsecured claims and litigate
16 their claims in this court along with other similarly situated
17 creditors. The Court noted that the litigation costs there
18 would specifically diminish the bankruptcy estate to the
19 prejudice of other creditors.

20 In closing, Your Honor, I'd like to note, as you've
21 heard today, that PREPA is on the verge of one of its most
22 important achievements in this Title III case. A PREPA RSA
23 will act as a building block for potential settlements with
24 other creditors, and ultimately, a plan of adjustment.

25 At this juncture of the case, the balance of the

1 equities and the burdens of harm favor keeping the automatic
2 stay in place with respect to the Marrero litigation, so that
3 PREPA can focus its limited resources on moving forward with
4 this restructuring, while avoiding spending time and money on
5 matters that will shortly become moot.

6 If the Court doesn't have any other questions, we
7 would rest.

8 THE COURT: Thank you, Ms. Perez.

9 MS. PEREZ: Thank you.

10 MS. FEGAN: Your Honor, I have just three quick
11 points. First, my co-counsel reminded me that the third-party
12 oil companies and the laboratory defendants can't sue or can't
13 bring a cross-claim against PREPA, so we're really just
14 talking about discovery issues.

15 Second, PREPA's already produced to us the
16 transactional data reflecting its customer databases. We
17 would really just need the names. So the idea that we're
18 talking about warehouses of data in order to send class notice
19 just doesn't hold water. We've already gone through this at
20 the class discovery phase.

21 And third, Your Honor, the arguments that my
22 colleague made about having to identify every oil shipment,
23 and identify every customer that took from every oil shipment,
24 those arguments have already been rejected by the Court. The
25 Court in the first instance has noted that we -- and the

1 Puerto Rico Senate Commission have found that the laboratory
2 instruments were calibrated so that every shipment was -- that
3 we would argue at trial, that every shipment was
4 inappropriately tested.

5 And second of all, all Puerto Rico residents bore the
6 brunt of every overpayment. It wasn't that if you combusted
7 your electricity from a particular shipment, that you received
8 the overcharge. Those overcharges were spread out pro rata
9 across all of Puerto Rico.

10 So these issues just aren't going to increase
11 discovery, because it's not going to be the focus of
12 discovery. Thank you.

13 THE COURT: Thank you.

14 I will reserve decision.

15 Now, give me just one moment. I want to consult with
16 the court reporter and courtroom deputy.

17 (Discussion held off the record.)

18 THE COURT: We will keep going until 5:30 in an
19 effort to get everything done.

20 So next on the list is the Motion in the *ERS v. now*
21 *Andalusian*, adversary, to Amend the Complaint. That's
22 adversary 17-213, and it is ECF number 236 on that docket.

23 And we have a total of 20 minutes allocated, and I
24 understand that Ms. Dale has ten minutes in the first instance
25 for the movant. How much do you want to reserve for reply?

1 MS. DALE: Two minutes, please.

2 THE COURT: Thank you. So we'll put you down for
3 eight and two.

4 MS. DALE: Thank you, Your Honor.

5 Your Honor, Margaret Dale for the debtor from
6 Proskauer Rose.

7 Judge, the motion presents two issues to be decided.
8 One is the request for the Court to adjudicate the undecided
9 issue regarding Bankruptcy Code Section 552. The second issue
10 is the debtor's request to amend the Complaint.

11 THE COURT: Actually, may I just -- I'm going to stop
12 the clock on you and just try to propose a little structure
13 that maybe you can all sort of react to. So, first of all, it
14 seems to me that the -- I know for sure the First Circuit
15 entered a judgment, it issued a decision, it entered a
16 judgment. The rule on the statute, on cert, which is 28
17 U.S.C. 2101, doesn't require a judgment as the predicate for a
18 cert petition. And because the First Circuit has already
19 ruled and entered a judgment, I don't see how any amended
20 complaint could vitiate a First Circuit decision and judgment.

21 And so it seems to me that a path through this
22 thicket could be to recognize that there's a First Circuit
23 petition and judgment on the lien issue. And then as to the
24 amended complaint, if the parties would be prepared to
25 stipulate, notwithstanding the new factual allegations in the

1 amended complaint, that Count VI and the remanded
2 counterclaims would be determined based solely on the closed
3 set of briefing prior to the First Circuit appeal, including
4 those 56-1 statements, and that there are no other material
5 facts, the existing briefing could be deemed directed to Count
6 VI of the new complaint. And that aspect could go forward.
7 And then any further discovery and proceedings necessitated by
8 the new claims could be dealt with on their own track.

9 And I would of course need ERS to be clear about
10 whether ERS is contending that it believes that the need for
11 decision on the 552 issue is an impediment to maintaining the
12 current schedule for the ERS Adequate Protection Motion. I
13 know I said a lot there, but I hope that it's helpful in
14 structuring. And we'll put you back on the clock now.

15 MS. DALE: Thank you, Your Honor.

16 We thought that with respect to the 552 issue, it
17 could be adjudicated now through the briefing that was
18 accomplished on the Motion for Summary Judgment when it was
19 part of the original Complaint. We also thought that if the
20 Court -- if the Court wanted to allow the Motion to Amend, it
21 could be adjudicated as part of the new -- the amended, I
22 think it's Count VI, on the same briefing that was already
23 extant and the oral argument.

24 So we would be prepared to do it either way. And I
25 believe we had made that overture already to our adversary.

1 THE COURT: And either way, notwithstanding the fact
2 that --

3 MS. DALE: There are new allegations?

4 THE COURT: -- there are new allegations?

5 MS. DALE: Yes, ma'am. Correct, Your Honor. We
6 could do that either way.

7 And I think that's just -- and I think that the
8 bondholders are in agreement with that proposal, because they
9 did not point to any new allegations in the Complaint that
10 would change the nature of the 552 decision-making process.

11 So with respect, I would now then move to the Request
12 for Leave to Amend, Your Honor. And just to address the
13 summary of the proposed amendment for a moment, the adversary
14 proceeding was initiated pursuant to the parties' stipulation
15 in response to the defendant's original Motion for Adequate
16 Protection, and it was an attempt to get the threshold issue
17 of perfection resolved quickly.

18 In light of the First Circuit's decision on that
19 threshold issue of perfection, there are issues that now
20 remain unresolved. The parties need a determination regarding
21 the extent to which those asserted security interests attach
22 to ERS property.

23 So the proposed amendment seeks to add allegations
24 and claims explaining why the asserted security interests
25 either do not attach or did not remain attached to certain of

1 ERS property, including pre-2008 assets, funds that were not
2 employer contributions, and funds remitted back to ERS by the
3 fiscal agent.

4 The defendants do not contend that these issues have
5 been addressed by any court, and they do not -- these issues
6 have to be decided one way or the other. We thought that it
7 would be most efficient to do it by way of an amendment to the
8 current adversary Complaint. We could have chosen I think to
9 file a new adversary complaint and seek to consolidate them.
10 That did not seem to be a very efficient use of anyone's time
11 or effort.

12 Just one other point, Your Honor. With respect to
13 the First Circuit's decision, the Proposed Amended Complaint
14 omits what was Count I of the original Complaint, and that was
15 intentional, because we had the decision of the First Circuit.
16 And that is what it is.

17 We have said to the defendants that subject to our
18 right to seek certiorari on that decision, that we'd be
19 willing to agree to a 54(b) judgment on that first count of
20 that Complaint.

21 THE COURT: And so then you would contemplate
22 targeting the cert petition to a 54(b) judgment that I enter
23 here rather than directly predicated it on the First Circuit
24 decision and judgment?

25 MS. DALE: We were, but I think we could do it either

1 way. We had talked about a 54(b) judgment as a way to make it
2 very clean, that that count had been determined and stands
3 alone now for purposes of any further appeal.

4 THE COURT: Okay. I will hear what Mr. Bennett has
5 to say.

6 MS. DALE: Okay.

7 THE COURT: And I guess timetables would differ, too,
8 depending on what the predicate filing --

9 MS. DALE: Your Honor, just turning quickly to the
10 liberal standard for leave to amend which has been met here,
11 Rule 15(a), it's, leave to amend shall be freely granted when
12 justice so requires. We're seeking amendment to seek
13 resolution of issues that arose as a result of the First
14 Circuit's decision.

15 THE COURT: The defendant's claim as to whether it's
16 substantial and extraordinary circumstances, or something like
17 that, because there was summary judgment motion practice and
18 discovery prior to the First Circuit decision, and we are 20
19 months into the case --

20 MS. DALE: But, Your Honor, there's no futility being
21 argued here, and the bondholder's authority, it's -- I
22 don't -- it's not availing here. The rule -- the bondholders
23 objected on the ground that we shouldn't -- you know, there
24 had been summary judgment. There had been discovery. But the
25 *Resolution Trust Corp versus Gold* decision that they cite

1 explains that, the Rule exists to prevent a futile amendment
2 sought, quote, at the 11th hour to fend off summary judgment,
3 end quote. That's at 30 F.3d 251, and the jump cite is 254.

4 There's no allegation here that we were seeking to
5 fend off summary judgment, or any malintent whatsoever. There
6 were certain issues that we thought we wanted to tee up very
7 quickly, and we did that. And if the First Circuit decision
8 had been different, then this would all be moot.

9 Now, there are issues that need to be decided, and
10 they have not pointed to any prejudice, other than a claim
11 that this is going to take more time. But we're willing to
12 talk about a discovery schedule for these additional claims,
13 and other than that, we're not seeking to move the Lift Stay
14 Motion. I think there might be other reasons why that
15 schedule doesn't hold, but it's not because of this, our
16 amendment that we're seeking.

17 And that's really all I have, Your Honor. I think
18 the motion should be granted given the liberal standard and
19 the failure of any claim of prejudice here.

20 THE COURT: Thank you.

21 All right. And so that is Mr. Zakia.

22 MR. ZAKIA: Yes, Your Honor.

23 THE COURT: I have you down for five minutes.

24 MR. ZAKIA: I was a little stunned, because it's
25 probably the second time in my life somebody got my name right

1 the first time.

2 THE COURT: I bet you say that to all the judges.

3 MR. ZAKIA: The two times it's happened I do.

4 Your Honor, Jason Zakia of White and Case on behalf
5 of the Puerto Rico Funds. If I could just articulate how Mr.
6 Bennett and I split this up and see if that works for the
7 Court. I'm going to try to articulate our basis we're arguing
8 that the amendment should be -- leave to amend should be
9 denied in its entirety. And then Mr. Bennett is going to
10 address some specific changes that I think that gets to Your
11 Honor's question about things like the judgment in the event
12 Your Honor is inclined to grant the leave.

13 I think Ms. Dale put her finger right on the
14 critical point. It won't surprise the Court to learn I
15 disagree with the implication that she drew from it, but she
16 argues that the purpose of this entire adversary proceeding
17 was to deal with the threshold issue of perfection first. And
18 that's simply not borne out either by the terms of the
19 Stipulation and Order that Your Honor signed at the beginning
20 of this adversary that set out exactly what it was supposed to
21 address.

22 And in fact, the Board cites at paragraph 25 of its
23 motion the critical provision, which says that the purpose of
24 the adversary is to address validity, priority, extent and
25 enforceability of the bondholders' liens.

1 The new claims that are being asserted now go
2 directly to the extent of the lien. That is not something
3 that was in any way bifurcated or which in any way they were
4 prohibited from bringing when they filed their Complaint
5 almost two years ago. And in fact, they make this point in
6 their papers.

7 The argument that the Board makes in their motion is
8 it was always anticipated that extension of liens is something
9 that could be brought in this adversary, and so therefore,
10 it's okay that the amendment is being brought in this case.
11 And I think that argument misses a critical point, Your Honor.

12 Ms. Dale tried to distinguish some of the authority
13 we cited by talking about the fact that this amendment is not
14 being brought on the eve of trial or to avoid summary
15 judgment. It's actually in the context of this case being
16 brought far later. This is not the eve of trial. It's not
17 the eve of summary judgment. Your Honor resolved summary
18 judgment. There's been an appeal, and we're back on remand.

19 And when the Board makes the point that if the
20 appeal had gone differently these new claims may have been
21 mooted, what I hear is if they win, the case can end; but if
22 they don't prevail on the claims they chose to complete --
23 they could have brought any claims on the extent of the liens.
24 They chose to bring the claims that they brought. And for
25 them to say that they didn't prevail on the claims they chose

1 to bring, they now have the need and opportunity to amend
2 their Complaint to assert new claims, I don't know where that
3 ends, Your Honor.

4 Should Your Honor choose to grant this Leave to
5 Amend and we litigate those claims, and let's say Your Honor
6 agrees with us and rules against them, do they then amend to
7 add new claims because they've decided that the claims they
8 brought and they went on didn't moot those additional claims
9 they were going to bring?

10 THE COURT: Well, some of the old claims were
11 dismissed without prejudice, and Ms. Dale is talking about
12 initiating a new complaint and then trying to reverse engineer
13 coordination anyway, so --

14 MR. ZAKIA: I'm sorry, Your Honor. I think the 552
15 argument is a little different than what I consider the new
16 claims. The 552 argument, we would submit, and as we explain
17 in our papers, is before the Court because the identical
18 issues that were in their count that was dismissed were also
19 in our counterclaims. So they are mirror claims and
20 counterclaims.

21 Those counterclaims I think are fairly included by
22 what was remanded by the First Circuit. And Your Honor will
23 rule when Your Honor wants to rule, but there's no need for an
24 amended complaint to bring those claims back to life.

25 THE COURT: True.

1 MR. ZAKIA: Without any amendments, Your Honor can
2 rule on that issue whenever Your Honor sees fit. And so I
3 think -- I'm sorry.

4 THE COURT: I understand that. I'm just saying that
5 the Board says okay, if you don't let me do it as an amendment
6 --

7 MR. ZAKIA: Sure.

8 THE COURT: -- I'm going to come with another
9 complaint and then move to consolidate and coordinate. And
10 unless you're going to argue that there's some res judicata
11 principle that prevents them from doing it, aren't we talking
12 about a whole lot of transaction costs for not a lot of gain
13 here?

14 MR. ZAKIA: Understood, Your Honor. I'm sorry. I
15 misunderstood your question the first time. Now I understand.

16 I think Your Honor again puts your finger right on
17 the issue. I think if they were to try to bring these claims
18 which they were free to bring in 2017 when they initiated this
19 lawsuit in a new case, Your Honor doesn't have to adjudicate
20 that here, but there would be claim splitting arguments that
21 would be I think a real issue that they would have to deal
22 with in that new case, because there's no reason it couldn't
23 have been brought in this proceeding.

24 So I don't think it's simply a form over substance
25 issue. I think there are real substantial issues if they

1 chose to do it that way.

2 THE COURT: Thank you for responding to my
3 question.

4 MR. ZAKIA: Thank you, Your Honor.

5 MR. BENNETT: Your Honor, very briefly, if I could
6 supplement the response just given. If you take a look at the
7 Order that you entered, which is document number 170 I think
8 in the adversary proceeding, and it's in paragraph 6-A --

9 THE COURT: I don't have that right in front of me,
10 so --

11 MR. BENNETT: Would you like it? I think we have
12 extra copies.

13 THE COURT: Sure.

14 MR. BENNETT: I brought plenty.

15 THE COURT: Thank you.

16 MR. BENNETT: So I don't know if it has the same
17 pagination. It's document 170, seven of 19 on the top. It's
18 page three of the actual stipulation.

19 Paragraph six, capital A, here's exactly what the
20 Oversight Board agreed to do and what Your Honor Ordered them
21 to do. On or about July 21, 2017, ERS, through its
22 representatives, that's the Board, shall file an adversary
23 complaint with this Court seeking solely declaratory relief
24 regarding the validity, priority, extent and enforceability of
25 the liens.

1 They were supposed to bring these claims back then.
2 They agreed to. They were Ordered to. They didn't.
3 Mr. Zakia's right, the fact that they didn't probably is a
4 bar. The amendment today is completely inappropriate.

5 Now, in the hopefully unlikely event that Your Honor
6 is going to permit the amendment, what I really need is the
7 cleanest and neatest possible record, because of the fact that
8 we have a case that went up on appeal to the First Circuit,
9 sounds like, although it hasn't been filed yet, there's going
10 to be an effort to take it to the Supreme Court. And then
11 we're going to have further proceedings that could conceivably
12 go back to the First Circuit as well.

13 So first of all, let's deal with the status of the
14 First Circuit case. Unlike the case with -- the *Aurelius* case
15 we've been talking about before, and the Oversight Board's
16 intent to obtain an extension or a delay of the mandate, a
17 stay of the mandate, in this case, the ERS First Circuit
18 appeal, the mandate issued. They never saw an additional stay
19 beyond the initial 30 days. So a mandate came down to this
20 Court. So today we're entitled to the entry of judgment, and
21 we were frankly very distressed to see the Proposed Amended
22 Complaint didn't deal with that and just would make the claim
23 go away.

24 So what would we have? Whenever someone looked at
25 the adversary file, they wouldn't see a judgment before

1 amendment. They'd see an amendment and a claim that was up on
2 appeal to the First Circuit vanish into thin air. That's not
3 the way the file ought to look.

4 Frankly, if Your Honor --

5 THE COURT: Except the file includes the First
6 Circuit decision that says reversed on Count I, vacated and
7 remanded for further proceedings on the two counterclaims and
8 judgment entered on that, and the mandate. So, and that's all
9 in the District Court file, too.

10 MR. BENNETT: I'm not sure it did the very last thing
11 all by itself. I think you have to do the last thing, which
12 is enter the summary judgment in conformity with the First
13 Circuit's Opinion. That's all I'm asking for.

14 THE COURT: Okay.

15 MR. BENNETT: Is that before any amendment goes in
16 the file, that the existing count which says that the liens
17 are fully perfected -- we would just like to have an Order
18 entered before any amendment goes into the file. That would
19 be our --

20 THE COURT: All right. If everyone is agreed to
21 doing that, that's fine with me, since the First Circuit did
22 enter a document captioned Judgment.

23 MR. BENNETT: Okay.

24 THE COURT: I'm not absolutely convinced that that's
25 necessary, but if everybody's cool with doing that, I'll sign

1 a 54(b) .

2 MR. BENNETT: Thank you. And again, if the
3 amendment's going to be permitted here -- and again, it
4 shouldn't be. This was a proceeding where there's a specific
5 agreement as to what the Complaint was supposed to say. And
6 it was supposed to cover extent, and it was supposed to happen
7 back in July of 2017. And the last time I looked, we're in
8 2019.

9 But in the unlikely event that there is going to be
10 an amendment, we think that too should be after Your Honor
11 decides the 552(b). Why? Because when someone goes back to
12 look at the file, and I hope it's not necessary, but it's
13 conceivable it could be, that your ruling on 552(b) comes
14 after the Complaint and the pleadings that relate to that
15 Order. And if they want to make an amendment after that,
16 frankly, they should seek it then.

17 If you took a look, Your Honor, and I don't know if
18 you had time, I get that really listening just today, at the
19 markup of the Complaint, you'll see it's practically a new
20 complaint. It's not as if this was a light touch. And every
21 single -- every single paragraph that precedes the paragraph
22 relating to Section 552, the claim based on Section 552 is
23 incorporated into that. So we have a little bit of a mess.

24 There are all kinds of work-arounds. I prefer no
25 work-arounds. I think in this instance the way the cases

1 read, we really have two choices here. One is decide the 552
2 part of the Summary Judgment Motion today based upon the
3 existing record. Worry about amending the Complaint later.
4 That's one. Number two, if you amend the Complaint today, the
5 cases are clear, all prior motions are a nullity. You do new
6 ones.

7 THE COURT: Well --

8 MR. BENNETT: It's okay with us if that's the way the
9 Court wants to proceed, because frankly, we've done the work
10 already. And I went over all the paperwork on the plane
11 coming over just to make sure it's in order, and it kind of
12 is.

13 I will say for Your Honor, just so you know what
14 you're getting yourself into a little bit, because of the way
15 the cross-motions work, and you asked for supplemental
16 briefing, there are probably four or five briefs on each side
17 that you have to read as to opposed to just, you know, neater
18 packages. But it's all there.

19 THE COURT: I will need a definitive, agreed list on
20 the universe of record documents that you all agree is the
21 closed universe, that you want me to consider. Whether I call
22 it Count III of the old Complaint or I enter an Order saying
23 that the motion is deemed directed to Count VI of the new
24 Complaint and any counterclaims that are substantially
25 identical to old two and three, I'm not going to go hunting

1 around and figure out for myself which ones you think are
2 relevant. I need a nice thing in a frame.

3 MR. BENNETT: Not a problem. It doesn't at all
4 surprise me that you'd seek that. But our view is, again, in
5 the unlikely event that you're prepared to permit an amendment
6 today, and you shouldn't, there should be a judgment first
7 before any amendment. There should be a decision on 552
8 before any amendment. That is the cleanest way to do it. You
9 do an amendment afterwards. Then we will not have a record
10 that is -- that is a work around or an effort to Jerry-rig
11 what the cases say is supposed to happen. We'd like to stick
12 with kind of the rules that have developed and that are
13 enshrined in cases that are decided in the First Circuit.

14 THE COURT: All right. Well, I will tell you that I
15 am not entering an Order today, because there are all these
16 mechanical issues, but it is my intention to grant the Motion
17 for Leave to Amend. And so what I would ask you all to do is
18 to promptly meet and confer to propose a procedure, timetable,
19 the elements of it. And I tell you, it definitely has to
20 include an agreed, definitive statement of what I'm supposed
21 to be taking into account for the Summary Judgment on the
22 undecided issue, Count III type issues.

23 And if you can, you know, want to agree to a
24 sequential filing of the Amended Complaint so that you don't
25 start talking about discovery and proceedings triggered by

1 that until later, yeah, fine. But give me some procedural
2 mechanism, and then if we can do that just by step, fine. If
3 you need me to say -- to enter an Order specifically granting
4 this motion or speak at further length about why I'm
5 exercising my discretion to do this and find that the
6 situation and the First Circuit decision and other subsequent
7 events constitute sufficient evidence to meet even the higher
8 standard for amendment, if it's not just the Rule 15 standard,
9 yes, I can work something up.

10 But in the meantime, I think it's most important to
11 figure out how we are going to go forward. So by the end of
12 next week, please give me a joint status report.

13 MR. BENNETT: We'll do that, Your Honor.

14 THE COURT: Thank you.

15 Ms. Dale, does that work for you, too?

16 MS. DALE: Thank you. Thank you very much, Your
17 Honor. We'll get that to you.

18 THE COURT: Okay. Thank you.

19 All right. So this -- even my computer just went on
20 strike and locked me out. But I'm logging myself back in. It
21 will take just a minute.

22 All right. So I think the last thing we have is the
23 stipulation.

24 MR. DESPINS: Your Honor, my understanding is that
25 your courtroom deputy has received from Mr. Bongartz a marked

1 to show changes from the one that was filed, so all the
2 changes, except that I don't have a hard copy to take you
3 through.

4 THE COURT: Yeah, and I don't think I -- now I have a
5 hard copy. Do we have an extra hard copy we can give to
6 Mr. Despins?

7 COURTROOM DEPUTY: No, Your Honor. I understood the
8 e-mailing was sufficient. So do you want us to print a copy
9 off?

10 THE COURT: Okay. We thought you were going to work
11 on the basis of your e-mails.

12 MR. DESPINS: We've already circulated to everyone by
13 e-mail.

14 THE COURT: You don't have your iPad or something you
15 can use to look at your e-mail?

16 MR. DESPINS: I'm going to use his computer.

17 THE COURT: Good. Thank you.

18 MR. DESPINS: Okay. Your Honor, I believe these
19 changes which are marked against the original version that was
20 filed with the Court have been agreed to, and they'll need to
21 confirm that, by all the monolines. That means Ambac,
22 Assured, National, FGIC.

23 And so let me take you through this. And the last --
24 just below the last "whereas" on page number three, we added
25 "subject to the terms hereof." I don't think it's really

1 material.

2 The next changes are in paragraph two, Your Honor.
3 And we added clarity at the request of the monolines. And
4 also the language that says, "upon entry of this stipulation,
5 the Court finds that the claims or causes of action identified
6 on the schedules have been described in sufficient detail on
7 the record at the April 18th hearing." And you'll stop me if
8 I'm going too fast.

9 THE COURT: No. I'm with you.

10 MR. DESPINS: Okay. Paragraph three, the monolines
11 wanted some language about the fact that members of the
12 special committees are appointed in this thing. What if the
13 Oversight Board decides to revoke or, you know, they resign or
14 they're replaced, and all that? So there's a mechanism where
15 it says, "subject to revocation or substitution thereof by the
16 Oversight Board at any time."

17 And we've deleted the Committee as sole trustee,
18 because now we have a feature where the Committee cannot file
19 subject claims. We just have this provision that says that we
20 can add claims in an action together, which they can disavow,
21 if you will, by dropping a footnote saying we don't -- we're
22 not going to agree with that but we allow it to be included in
23 the same Complaint.

24 So there's no -- remember, there used to be that
25 subject?

1 THE COURT: Yes.

2 MR. DESPINS: So now that's gone.

3 THE COURT: So no sole plaintiff adversary
4 proceedings?

5 MR. DESPINS: Correct, Your Honor.

6 And footnote four, we've added COFINA. That was --
7 you mentioned that at the last hearing.

8 And also we made clear that this does not apply to
9 issues between governmental entities.

10 THE COURT: Yes.

11 MR. DESPINS: Okay. This is paragraph number -- it's
12 still three. Carry over on the next page, just some defined
13 terms that are changed, but also there's a Court finding that
14 for the reasons stated on the record at the April 24 hearing,
15 that's of course assuming you would approve it, that there is
16 good cause for entry of the stipulation. And we have deleted
17 the Committee as sole plaintiff, because now that's gone.

18 And the rest are all conforming changes by the
19 co-plaintiff. The important portion is just at the end of
20 three, for -- the avoidance of doubt language is that, the
21 members of the Special Claims Committee are appointed as
22 co-Trustee and co-plaintiff with respect to the adversary
23 proceedings to the extent they remain members of the Board.
24 It's the same concept. If you're retired or something, you
25 cannot stay on this -- on this as co-plaintiff or as

1 co-trustee. And also provides specifically that the Oversight
2 Board can replace their own members --

3 THE COURT: Yes.

4 MR. DESPINS: -- in that role.

5 On paragraph four, this is just a clarification that
6 the causes of action will be -- the Complaint will be filed on
7 or before the expiration of the Statute of Limitations.

8 Paragraph five, same thing. It says, "in the absence
9 of a tolling agreement, there will be a lawsuit filed before
10 May 2nd."

11 Paragraph six, it provides -- this is what I would
12 call the Mr. Mayer issue. Basically it says we can be a party
13 to any tolling agreement, but our remedies to stop an
14 extension of the tolling agreement or to try to terminate it
15 are covered by paragraph 11 and not by anything else. So we
16 cannot block that other than with Your Honor's assistance, if
17 you were to give us that, pursuant to paragraph 11. So that
18 resolves that issue.

19 Then we added, in the next paragraph, the Fee
20 Examiner issue, the language that the Fee Examiner wanted
21 regarding detailed staffing plans.

22 Then paragraph eight. This is what we call the
23 safety valve provision. And basically good cause is defined
24 to include a finding that Section 926 of the Code and/or
25 derivative standing requirements have been satisfied. So

1 before good cause was not defined. They insisted that we put
2 that in. Don't like it, but we'll live with it.

3 Same thing on page -- paragraph ten. Same concept.
4 Same for 11. These are all provisions that say good cause is
5 defined to include those findings.

6 THE COURT: Yes.

7 MR. DESPINS: Paragraph 12, this is again to deal
8 with Mr. Mayer's issues. We said that to the extent
9 reasonably practicable, the other co-plaintiff will be
10 involved in any settlement discussions.

11 And the paragraph 13, this is the subject claims,
12 that's been removed and basically replaced with this concept
13 that there's one action, that we can add claims in that action
14 but not in separate actions. This is what this provides.

15 THE COURT: Yes.

16 MR. DESPINS: And this is all the -- you know 13, 14
17 are all conforming changes. Sixteen.

18 THE COURT: And I will just state for the record that
19 I did read the revised version that was filed I think on
20 Monday night that incorporated a lot of these concepts, and so
21 the fact that I'm saying yes and flipping the page doesn't
22 mean that I'm just taking Mr. Despins' word for it. I did
23 read the earlier iteration of the revision.

24 MR. DESPINS: And paragraph 16 is the same issue that
25 continues with regard to the members of the Board. Basically

1 that they can be substituted in any manner. Basically, this
2 is to provide that if they resign or -- they can't stay as
3 co-trustee or co-plaintiff if they are no longer involved.

4 We've deleted the beginning of paragraph seven
5 because that was purely historical. And we've deleted the
6 entirety of paragraph 19. Although we thought that we had
7 given them all the assurances that they needed, they preferred
8 that we take that out. We still intend to do something like
9 that, but we don't need to say it.

10 THE COURT: Yes.

11 MR. DESPINS: Because that creates a lot of trauma.

12 And this paragraph 28 is new, and that's a key
13 paragraph. This is the defendants -- remember I had said, you
14 asked me specifically on Wednesday whether defendants would be
15 somehow barred by this from raising defenses, and we said no,
16 they would not be. So this is the language that's been agreed
17 to that basically says, a defendant in an adversary proceeding
18 can raise these issues, and so can the insurers, the monolines
19 that are involved in that adversary proceeding.

20 So they're not like free-wheeling agents, but if
21 they're involved in the adversary proceeding, they can raise
22 that issue. And therefore, the issue of standing is preserved
23 for them.

24 And I believe, Your Honor, that's the entirety of all
25 the changes. We made, frankly, 98 percent of all the changes

1 that they wanted.

2 THE COURT: Thank you.

3 Is there anyone who wants to be heard further in
4 opposition to the proposed revised stipulation?

5 Ms. Miller.

6 MS. MILLER: Your Honor, we don't strictly want to be
7 heard in opposition, but two small points of clarification. I
8 think Mr. Despins accurately represented that Ambac, as well
9 as the other monolines, are in agreement with the stipulation
10 as drafted.

11 In describing the new paragraph 28, Mr. Despins said
12 that it gives defendants, as well as what he described as
13 monolines involved in the adversary proceeding the right to
14 raise the objections at that time. I just want to make clear
15 that it's not necessarily monolines involved, which I think is
16 vague, but it is, as the language in the proposed stipulation
17 would provide, insurers that insure bonds that are subject to
18 the adversary proceeding.

19 And I'll say it, it was said many times before, and
20 consistent with the deletion of paragraph 19 and Mr. Despins'
21 statement that he continues to intend to present something
22 similar with respect to HTA, consistent with paragraph 22 and
23 the deletion -- 28 and the deletion of paragraph 19, we at
24 this point would object to a similar stipulation with respect
25 to HTA. And I would intend to object to that and wanted to

1 make clear on the record that our consent to this negotiated
2 stipulation is not precedential in any future proceedings and
3 in particular, with respect to HTA.

4 THE COURT: Yes. Does anyone else wish to be heard?
5 Good afternoon.

6 MR. RIVERA: Good afternoon, Your Honor. Ramon
7 Rivera Morales. I stand in representation as co-counsel to
8 Mr. Stancil for the Ad Hoc Group of GO Bondholders. And my
9 mission this afternoon is to stand in opposition to the
10 stipulation for the same reasons that were raised in the
11 previous hearing and for the same reasons that are stated in
12 the objection filed.

13 And I just wanted to have that stated for the record,
14 Your Honor.

15 THE COURT: Thank you.

16 Mr. Morgan.

17 MR. MORGAN: Just one brief -- I would be remiss if I
18 didn't note that with respect to National, the reservation of
19 rights also extends to PREPA. Ms. Miller referenced HTA, but
20 for us, it's HTA and PREPA. So I wanted to put that for the
21 record.

22 THE COURT: Thank you.

23 Anyone else?

24 (No response.)

25 THE COURT: All right. Give me a moment here.

1 MR. DESPINS: Your Honor, technically the parties
2 need just to put an S slash on that document. So I know
3 you're referring to it, but I just wanted to note technically
4 they need to do that. The Oversight Board and --

5 THE COURT: Yes. Well, what I'm frankly pondering
6 now is the reasons that I will be stating on the record, since
7 I still have that line in the play under the revised
8 stipulation. And I will be asking that an appropriate
9 Proposed Order that has with it a slash S version of the
10 stipulation be provided to me supplementally. Okay?

11 MR. DESPINS: Yes, Your Honor.

12 THE COURT: All right. So before the Court is the
13 Urgent Joint Motion for Entry of an Order Approving
14 Stipulation so on and so forth, document number 6305 in 3283.

15 The Court has considered carefully all of the
16 iterations of the stipulation, including the revision provided
17 to the Court this afternoon and discussed on the record of the
18 Proposed Stipulation. The Court has considered all of the
19 objections that have been filed in the course of this motion
20 practice and the arguments made in court both on April 18th
21 and today.

22 For the reasons that follow, I overrule the remaining
23 objections, and I grant the Motion for approval of today's
24 revised form of the stipulation. The bulk of the objections
25 concerned whether the movants had met their burden of

1 justifying the Court's approval of an arrangement whereby the
2 Committee has authority to prosecute causes of action for the
3 benefit of the Commonwealth.

4 The Motion calls upon two sources of such authority.
5 First, a line of cases that interprets various provisions of
6 the Bankruptcy Code, including Sections 105(a), 503(b)(3)(B),
7 1103(c) and 1109(b), to permit a debtor to consent to a grant
8 of standing of a committee -- to a committee to assert claims
9 for a debtor's benefit. And second, Section 926(a) of the
10 Bankruptcy Code, which permits creditors to request that the
11 Court appoint a trustee to pursue certain avoidance type
12 causes of action that a debtor refuses to pursue.

13 The Court finds that movants have shown the necessity
14 and benefit of granting the Unsecured Creditors Committee and
15 members of the Oversight Board's Special Claims Committee
16 authority to pursue causes of action for the benefit of the
17 Commonwealth as provided in the revised Stipulation under
18 these unique circumstances.

19 The Commonwealth is currently faced with Statutes of
20 Limitation that expire on May 2nd, 2019, pursuant to Sections
21 108(a) and 506 -- 546(a) of the Code. Additionally, in light
22 of the decision of the First Circuit in *Aurelius v.*
23 *Commonwealth of Puerto Rico*, 915 F.3d 838, First Circuit,
24 2019, the method of appointment of the current Oversight Board
25 has been determined to be unconstitutional, and the 90-day

1 stay period provided in that decision will expire on May 16 of
2 2019.

3 Accordingly, the Committee and the Oversight Board
4 are faced with a situation where even if the Oversight Board
5 were to commence these actions prior to May 2nd, its authority
6 to continue to prosecute the actions may expire or be
7 interrupted soon thereafter, presenting a risk of detriment to
8 the rights asserted in pending litigation by reason of the
9 Oversight Board's inability to act on behalf of the
10 Commonwealth.

11 Although Section 926(a)'s terms contemplate a request
12 by a creditor based upon a debtor's refusal to pursue a cause
13 of action, the Court is satisfied that the current
14 circumstances justify granting the Committee the power
15 contemplated by the revised Stipulation. First, although the
16 Committee is not itself a creditor, it is composed of
17 creditors and represents the interests of creditors, and
18 indeed, Commonwealth creditors who are members of the
19 Committee have proffered through counsel that they would make
20 a formal Section 926 request if necessary.

21 Second, these unique circumstances present a
22 situation where the Oversight Board has decided to share its
23 responsibility to prosecute certain claims, and it has,
24 therefore, effectively refused to pursue the causes of action
25 to the extent that it has sought, by means of the motion, to

1 have the Committee share responsibility for prosecution of the
2 causes of action. That refusal is a necessary and beneficial
3 refusal in light of the Statutes of Limitations and the
4 potential practical consequences of the end of the 90-day stay
5 of the *Aurelius* decision provided by the First Circuit.

6 Third, Section 926 contemplates a form of relief,
7 appointment of a trustee for the benefit of creditors and
8 other parties in interest, but does not necessarily provide
9 the only route to reach that form of relief when there is
10 consent. The Court has concluded that the exceptional
11 circumstances that have been presented warrant the appointment
12 of parties who can act as trustees, along with the
13 representatives of the Oversight Board, with respect to
14 matters that are within the scope of Section 926.

15 The Court further concludes that the Oversight Board
16 can consent to a delegation of the powers it exercises on
17 behalf of the Commonwealth, thus conferring consensual
18 derivative standing under principles similar to those
19 contemplated by the *In Re STN Enterprises* line of cases.

20 The Oversight Board's determination, reflected in the
21 revised stipulation that co-plaintiff and co-trustee status is
22 necessary and beneficial to the Commonwealth under the current
23 circumstances, is sufficient to surmount the barrier of
24 PROMESA Section 305 and confer such status with the Court's
25 approval as to causes of action in addition to those

1 enumerated in Section 926.

2 The Court notes that the revised stipulation,
3 specifically in paragraph 28, preserves the opportunity of
4 defendants and adversaries and affiliated parties to challenge
5 standing in the context of particular adversary proceedings.
6 For the foregoing reasons, the remaining objections are
7 overruled and the motion is granted.

8 The movants are directed to submit a Word version of
9 the revised Stipulation with the Proposed Order approving it
10 to chambers, and the Court will thereafter enter an
11 appropriate Order.

12 And you'll get back to me on the unsealing. We've
13 already set a timetable for that.

14 The remaining Agenda items have been adjourned to the
15 June Omnibus hearing as enumerated in the Agenda and as
16 further stated on the record here with respect to certain
17 additional items that were adjourned. So that concludes
18 today's Agenda. The next scheduled hearing date is the May
19 1st, 2019, hearing in Boston with a video connection to San
20 Juan.

21 I again offer effusive thanks to the staff of the
22 court here and in New York and my chambers colleagues for
23 their untiring and hard work in preparing for and conducting
24 today's hearing; I give the court reporter, who has stamina
25 that I can only begin to envy, for her keeping up with us

1 today; and the superb ongoing support of the administration of
2 these very complex cases.

3 If there is nothing else we need to address together,
4 I say keep well and safe travels to all. Thank you.

5 (At 5:22 PM, proceedings concluded.)

6 * * *

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 U.S. DISTRICT COURT)
2 DISTRICT OF PUERTO RICO)

3

4 I certify that this transcript consisting of 240 pages is
5 a true and accurate transcription to the best of my ability of
6 the proceedings in this case before the Honorable United
7 States District Court Judge Laura Taylor Swain on April 24,
8 2019.

9

10

11

12 S/ Amy Walker

13 Amy Walker, CSR 3799

14 Official Court Reporter

15

16

17

18

19

20

21

22

23

24

25

< Dates >

April 16 180:12
April 18th 227:7,
234:20
April 24 228:14
April 24, 2019 1:16,
6:2, 240:7
April 8 87:3
August 8, 2012
206:14
December 5, 2018
9:10
February 13, 2018
181:2
February, 2019 9:14
January 17, 2019
9:11
January 2019 17:3
July 1, 2019 12:21
July 2019 9:16
July 21, 2017 219:21
June 13 71:12
June 14th 71:13
June 30 8:13, 12:22
March 25th 103:3
May 10 8:15
May 15th 155:19
May 16 236:1
May 1st, 2019 238:18
May 2nd 56:11,
98:20, 100:12,
105:6, 110:11,
150:18, 153:10,
157:23, 236:5
May 2nd, 2019 235:20
May 2nd. 229:10
May 6 153:9, 154:18
May 8th 154:18,
155:18
May 9, 2019 8:7
may, two 87:16
November 2017 83:3,
83:6, 83:24
November 2018 81:11,
83:24
October 2018 17:3
October 31, 2018 9:6
September, 2019 9:20
.4. 71:21

< 0 >

09-17121-MG 162:5
09-17144-1-CH 161:21

< 1 >

1 195:13
1* 162:6
1.1 121:21
1.2 75:5
100,000 182:20
102 111:22
102(2) 111:24
103 195:8
105(a 43:6, 235:6
10701 177:20
1074 197:13
108 93:20
108(a 112:15, 235:21
108(c 100:12,
100:15, 101:3,
111:7, 111:13,
111:14, 111:17,
112:1, 112:9,
112:16, 116:5,
116:6, 143:3
11 90:24, 229:15
11. 138:2, 139:2,
229:17, 230:4
11.8 75:7
1102(a 194:22
1103(c 235:7
1109(b 235:7
11:51 92:3
11th 214:2
12 16:18, 27:2,
36:9, 38:24, 72:9,
101:5, 230:7
12(c 51:21
1203 71:9
13 101:6, 137:24,
230:11, 230:16
13th 7:16, 165:25,
167:1, 167:8,
168:6, 172:8,
173:4, 177:8,
177:14, 178:15
14 29:25, 30:4,
38:7, 40:17,

137:24, 205:13,
205:17, 230:16
14. 38:5, 44:3, 58:1
141 75:6
149 195:13
14th 7:16
15 20:8, 53:21,
72:6, 93:5,
167:20, 183:18,
225:8
15(a 213:11
15. 42:23
16 43:5, 230:24
165,000 20:4
166 37:10
17-213 208:22
17-3282. 158:21
17-3283 90:21
17-3283. 191:25
17-4780 71:9
17-AP-213(LTS 2:19
17-BK-3283(LTS 1:6
17-BK-3566(LTS 1:22,
2:23
17-BK-4780(LTS 2:3
170 219:7, 219:17
18 198:4
18-149 35:23, 60:11
180 54:21
19 20:5, 219:17,
232:20, 232:23
19. 231:6
1939 35:3
1985). 161:10
1992 120:15
1992). 195:14
1:12 92:4

< 2 >
2 195:13
20 53:21, 127:3,
158:4, 165:22,
208:23, 213:18
2002 201:18
2002. 201:18
2004 75:16, 200:10
2007. 148:1
2009 32:20, 62:25
2010 32:20, 131:8,

161:21
2010). 161:22
2010. 62:25
2011 32:20, 120:18,
162:6
2011). 162:6
2012 32:2, 32:22,
45:11, 55:3,
60:10, 72:18,
73:5, 205:21,
206:13
2012. 28:4, 205:23
2014 32:3, 32:23,
60:10, 72:18,
73:6, 108:12,
108:13, 148:15,
148:16, 151:17
2014. 45:14, 108:2
2015 148:11
2015. 202:18
2016). 161:11
2016. 195:9, 201:19
2017 188:6, 218:18
2017. 222:7
2018 83:24
2018. 16:20, 198:10
2019 119:6, 119:15,
120:14, 145:16,
235:24
2019. 8:10, 120:17,
120:25, 222:8,
236:2
2020 8:12
2020. 9:25
2101 209:17
21: 3:11
22 26:23, 205:14,
232:22
23 63:24, 198:12
23(f 203:3
23. 198:21
236 208:22
240 240:4
248 128:17
25 162:6, 166:7,
215:22
251 214:3
254. 214:3
26 161:22
27 128:5

27-day 19:13
28 209:16, 231:12,
232:11, 232:23,
238:3
2:51 153:22
2d 131:9, 161:10
2nd 72:5

< 3 >
30 19:10, 19:17,
24:10, 93:7,
93:10, 93:11,
96:10, 96:11,
101:13, 104:2,
214:3, 220:19
30-day 100:17
3007 43:3
3007(A) (1 19:10
3007(b 168:15
3007(d 42:24, 169:3
3007(d) (1 168:18
301(a 159:11
303 116:17, 140:4,
140:9, 141:3
305. 97:5, 104:15,
127:6, 139:5,
140:8, 141:3
307. 131:9
309594 162:6
32 20:14
3283 16:14, 24:9,
71:21, 179:24
3283. 234:14
36 147:25
360 75:19
362(a 111:20
379 147:24
3799 240:13
383941 161:22
3860586 206:13
389. 37:10
3: 1:6, 1:22, 2:3,
2:19, 2:23
3:08 153:23

< 4 >
4. 195:18
40 74:22

42 20:13
43 20:11, 20:14
4417 166:25
4417. 177:17
45 26:24, 93:3
452 142:18
4780. 197:13

< 5 >
5 147:25
500 21:22, 115:19
503 161:11
503(b) (3) (b 235:6
506 93:19, 235:21
510 173:15
510(b 170:23, 171:1,
171:7
54(b 212:19, 212:22,
213:1, 222:1
544 117:21, 138:8,
159:12
545 159:12
546 90:19, 90:23,
91:10, 138:8
546(a 235:21
547 138:8, 159:12,
161:11
548 138:8, 159:12
549 138:8
549(a 159:13
550 117:21, 138:8,
159:13
551 138:8
552 138:8, 210:11,
210:16, 211:10,
217:14, 217:16,
222:22, 223:1,
224:7
552(b 222:11, 222:13
552. 209:9
553 138:8
554 95:21, 138:6,
138:9, 138:25,
150:8, 150:14,
150:16
555 138:9
556 138:9, 195:8
557 138:9
558 138:14, 138:15

558. 138:10	117:12, 117:25,	133:9
5589 26:17	119:23, 123:18,	ability 60:20, 61:1,
56-1 210:4	124:17, 126:6,	79:20, 105:3,
59 142:18	140:5, 140:9,	108:15, 123:11,
5997 118:12	140:14, 140:22,	136:5, 161:20,
5:22 239:5	151:10, 152:7,	162:22, 163:23,
5:30 208:18	159:18, 161:2,	240:5
	161:3, 161:24,	able 22:18, 40:12,
	229:24, 236:20,	40:13, 49:22,
	237:6	80:8, 133:20,
< 6 >	926(a) 117:20,	136:9, 141:2,
6-A 219:8	125:17, 158:25,	151:6, 168:2,
60 27:13, 104:2,	159:9, 235:9	183:11, 192:20,
185:4	926(a) 236:11	201:22
6104-1 48:13	926. 98:3, 102:21,	absence 46:12, 78:7,
6104. 26:21	123:1, 125:22,	80:10, 123:1,
6118 71:21, 90:20	146:14, 152:6,	229:8
6128 179:24, 191:24	160:17, 160:20,	absent 159:17,
6305 24:9, 234:14	160:22, 164:8,	160:23
6325 158:21	237:14, 238:1	absolutely 30:23,
6374 16:14	926.02. 162:14	32:7, 32:11,
6413 87:3	94 195:8	32:16, 32:19,
6487. 180:13	98 231:25	44:3, 55:15, 62:7,
	9:41 6:3	66:14, 115:24,
		143:24, 221:24
< 7 >	< A >	accept 99:1, 183:7
7 101:5, 162:13	A. 3:6, 3:14, 4:18,	acceptable 140:1
779 161:9	4:24	accepted 142:11,
	AAFAF 7:8, 9:18,	188:20
< 8 >	9:21, 74:21, 75:4,	access 141:12,
80,000 74:23	83:3, 137:21,	163:12, 201:23,
83(a) (f 181:24	156:12, 202:11	204:1
838 235:23	Abandoned 98:24,	accident 40:20
	99:3, 105:6,	accidentally 127:10
< 9 >	105:13, 137:13,	accomplished 210:18
90-day 75:3, 235:25,	142:22, 150:16,	accordance 19:14
237:4	150:17	according 62:24
901 161:10	abandoning 57:23,	Accordingly 91:18,
9019 70:2	98:18, 100:4,	93:11, 236:3
904 161:10	100:7, 160:1	account 8:6, 20:13,
915 235:23	Abandonment 93:16,	90:25, 177:1,
922 116:8	93:23, 94:1,	201:13, 224:21
922. 116:7	98:22, 104:16,	accountants 135:2,
924 131:9	134:24, 137:24,	135:22
926 92:24, 93:2,	138:7, 138:11,	accounting 128:7
95:17, 98:5, 98:8,	138:19, 150:11	accurate 119:8,
102:17, 104:10,	abandons 100:16	145:6, 240:5
113:14, 116:19,	Abdelmasieh 20:22	accurately 232:8
117:7, 117:9,	abetting 128:8,	achieve 64:4,
		130:22, 163:12

achievements 206:22
achieving 64:3,
67:23
acknowledge 61:13,
61:14, 73:1,
131:24, 172:1,
187:7
acknowledged 193:1,
203:17
acknowledgement
149:12
acknowledges 125:24
acknowledging 176:21
across 8:20, 10:18,
208:9
act 98:14, 123:20,
192:10, 206:23,
236:9, 237:12
acting 116:1,
144:11, 181:22,
182:4
active 12:14, 15:3,
194:1, 199:14
activities 7:25,
8:2, 9:1, 81:6
activity 91:12,
106:3, 106:5
acts 98:17, 148:17,
149:12
actual 48:12, 48:24,
51:3, 86:9, 87:9,
114:20, 115:3,
128:11, 130:12,
130:13, 130:15,
130:20, 130:23,
147:6, 155:19,
157:15, 200:3,
204:2, 205:5,
219:18
Ad 3:28, 10:1, 27:8,
42:17, 42:20,
42:22, 43:25,
45:5, 45:22, 46:7,
46:11, 47:2,
69:23, 184:2,
184:3, 185:22,
196:2, 233:8
add 45:16, 45:23,
51:20, 109:23,
121:9, 150:2,

211:23, 217:7,
227:20, 230:13
added 226:24, 227:3,
228:6, 229:19
Adding 109:20,
109:23, 183:15
addition 9:25, 10:7,
119:6, 174:5,
193:19, 237:25
Additionally 203:10,
235:21
addressed 60:15,
81:5, 123:16,
142:9, 143:9,
145:13, 151:22,
167:15, 197:2,
202:13, 212:5
addresses 50:5,
86:11, 99:14
addressing 69:3,
164:12
adds 136:4
Adequate 179:10,
189:21, 193:6,
195:2, 195:5,
210:12, 211:15
adequately 179:8,
188:15, 188:16
adhere 183:11
adjourn 19:16, 26:5
adjourned 7:15,
20:10, 26:15,
71:12, 238:14,
238:17
adjournment 7:10,
26:10, 26:12
adjudged 30:6, 34:10
adjudicate 44:23,
46:18, 209:8,
218:19
adjudicated 210:17,
210:21
adjudication 35:5,
50:23, 51:8, 51:9,
55:17
Adjustment 10:9,
10:25, 12:11,
29:12, 29:17,
38:19, 38:20,
54:13, 54:16,

56:5, 94:13,
160:8, 163:24,
196:24, 206:24
Administered 1:11,
1:27, 2:8
administration
43:10, 99:4,
116:15, 142:4,
239:1
administrations
141:22
Administrative
20:22, 20:23,
21:10, 21:25,
22:12, 23:7,
23:12, 23:15,
181:6, 181:14
admission 34:6,
43:17, 181:25,
182:5, 182:6,
193:2
admissions 109:19
admit 42:25
admitted 181:20
admonition 140:20
adopt 55:4
adopted 148:12,
148:16
adopts 52:5
ADR 20:20, 21:5
advance 54:4, 86:22,
87:9, 97:22
advanced 169:12,
170:16
advancing 163:14
advantage 183:25
adversaries 61:14,
238:4
adversary 38:7,
47:21, 51:23,
52:7, 60:23,
91:16, 126:19,
161:8, 208:21,
208:22, 210:25,
211:13, 212:8,
212:9, 215:16,
215:20, 215:24,
216:9, 219:8,
219:22, 220:25,
228:3, 228:22,

231:17, 231:19,
231:21, 232:13,
232:18, 238:5
advise 19:1, 154:10,
198:13, 198:14
advising 187:20
advisors 11:18
Advisory 3:19
advocate 100:14,
101:10, 170:15
advocating 174:15
affect 33:19, 49:18,
55:7
affected 35:4,
38:14, 50:2,
55:13, 55:14,
60:17, 63:12,
82:15, 82:18
affects 28:10, 36:9,
62:16
affiliated 238:4
affirmative 76:17,
78:22, 91:10
affirmed 43:24
afford 154:13
affording 137:4
afternoon 96:3,
111:2, 117:3,
117:5, 121:16,
121:17, 125:11,
197:15, 202:10,
202:12, 233:5,
233:6, 233:9,
234:17
afterwards 224:9
agencies 8:21, 75:10
Agency 3:18, 170:10
Agenda 11:13, 16:13,
19:2, 19:5, 24:18,
26:17, 26:18,
71:21, 92:23,
121:9, 164:21,
167:21, 238:14,
238:15, 238:18
agent 73:5, 86:11,
183:5, 192:10,
212:3
agents 231:20
aggressive 199:4
aggressively 189:17

agnostic 126:4
ago 66:21, 67:3,
93:21, 106:22,
133:18, 165:3,
165:11, 165:13,
165:15, 216:5
agree 16:7, 30:17,
43:16, 44:3,
46:15, 48:4,
50:17, 51:20,
79:9, 104:13,
125:13, 138:23,
179:15, 185:8,
190:20, 191:16,
212:19, 223:20,
227:22
agreeable 10:21
agreed 22:1, 67:5,
80:3, 89:12,
104:12, 143:20,
156:23, 158:3,
160:15, 198:5,
198:19, 200:6,
202:4, 219:20,
220:2, 221:20,
223:19, 224:20,
226:20, 231:16
agreeing 102:3,
102:10, 103:15
agreement 12:6,
78:7, 80:11,
107:1, 112:8,
112:9, 132:6,
132:11, 132:16,
132:22, 149:10,
157:20, 157:25,
158:2, 211:8,
222:5, 229:9,
229:13, 229:14,
232:9
agreements 87:22,
87:23, 106:18,
128:4, 132:8,
154:7, 154:10,
154:15, 154:20,
204:18
agrees 217:6
ahead 115:17, 123:25
aiding 128:8, 133:9
air 221:2

al 1:16, 2:29, 3:4
albeit 46:25
Alexander 3:15
align 52:1
aligned 10:14, 196:3
alike 189:13
allegation 58:5,
214:4
allegations 83:20,
162:16, 209:25,
211:3, 211:4,
211:9, 211:23
allege 108:6,
130:19, 130:23,
130:24
alleged 30:21,
30:22, 35:10,
36:9, 36:25,
108:16
allocated 92:21,
167:20, 208:23
allocation 26:23
allotted 24:10
Allou 147:24
allow 24:18, 43:3,
52:15, 85:12,
92:16, 119:21,
125:18, 150:3,
151:2, 160:25,
192:7, 198:7,
210:20, 227:22
allowability 11:16
allowable 11:15
allowance 171:2
allowed 82:21,
116:3, 168:17,
173:8, 173:18
allowing 38:4, 42:11
allows 130:16,
159:19, 181:2
alluded 64:14,
140:17, 181:18
almost 66:21,
124:24, 137:25,
197:24, 216:5
alone 72:25, 118:1,
123:2, 138:13,
182:14, 203:14,
205:20, 213:3
Altair 2:27

alter 46:5, 46:17	75:17, 75:22,	200:9, 217:13
alternative 137:10,	76:2, 77:15,	AO 24:2
183:21, 185:9,	88:16, 88:19,	apart 48:11
188:9, 192:8,	89:10, 119:9,	Apologies 47:13
194:19	119:17, 126:18,	apologize 25:25,
Although 97:25,	135:6, 141:19,	27:4, 54:2, 54:4,
136:11, 220:9,	141:20, 205:23	111:22, 115:13,
231:6, 236:11,	amounts 80:19, 182:8	126:25
236:15	Amy 240:12, 240:13	apparent 170:8,
Ambac 3:32, 47:14,	an injury 44:6, 58:1	184:11
94:18, 100:9,	analog 30:1	appeal 55:18,
100:19, 101:2,	analogy 44:4, 79:12	171:20, 172:20,
101:9, 111:3,	analysis 28:3,	172:21, 176:13,
112:24, 116:6,	98:15, 100:14,	176:17, 177:2,
143:1, 226:21,	102:3, 112:21,	177:3, 177:7,
232:8	128:20, 128:21,	178:6, 198:2,
Amend 80:12, 208:21,	128:22, 129:24,	210:3, 213:3,
209:10, 210:20,	129:25, 145:22	216:18, 216:20,
211:12, 213:10,	analyze 161:3, 161:7	220:8, 220:18,
213:11, 215:8,	analyzing 74:24	221:2
217:1, 217:5,	and/or 229:24	appealed 184:8
217:6, 223:4,	Andalusian 4:20,	Appeals 11:21, 43:24
224:17	208:21	appear 18:18,
Amended 120:18,	Ann 4:15	118:25, 133:7,
120:24, 178:21,	anniversary 81:21	170:23, 181:23,
209:19, 209:24,	announced 9:11	185:23, 187:3
210:1, 210:21,	annual 141:16	Appearance 66:10,
212:13, 217:24,	anomalous 171:8	193:24
220:21, 224:24	answer 15:23, 17:6,	APPEARANCES 3:1, 4:1
amending 223:3	29:6, 29:7, 56:25,	Appearing 3:8, 3:39
amendment 120:21,	70:23, 76:22,	appears 140:16
211:13, 211:23,	92:9, 109:13,	apple 35:16, 64:25
212:7, 213:12,	124:9, 125:16,	applicable 44:5,
214:1, 214:16,	176:21	111:16, 159:10,
215:8, 216:10,	answered 66:9	178:11, 202:14
216:13, 218:5,	answers 176:22	Application 16:25,
220:4, 220:6,	anticipate 13:2	17:22, 18:6, 44:4,
221:1, 221:15,	anticipated 9:15,	61:1, 67:22,
221:18, 222:3,	9:22, 12:16,	71:12, 96:4,
222:10, 222:15,	12:24, 144:25,	96:11, 96:12,
224:5, 224:7,	199:9, 216:8	101:22, 104:19,
224:8, 224:9,	anticipates 13:6,	104:25, 111:9,
225:8	182:3	121:5, 156:11,
amendments 218:1	anticipating 92:20	156:19, 171:4,
American 196:21	anybody 15:5, 15:6,	183:13
among 8:16, 69:22,	29:11, 64:16,	applications 16:19,
81:18, 161:19,	83:20, 124:25,	16:22, 16:24,
162:11, 201:1	133:1, 133:14,	17:2, 17:4, 17:21,
amongst 90:1	138:14	17:23, 190:19,
amount 74:8, 75:6,	anyway 100:25,	190:21, 195:17

applied 122:17, 125:23, 158:5	123:13, 124:7, 134:17, 153:5, 161:5, 161:15, 170:19, 176:24, 184:8, 187:6, 189:1, 194:3, 194:25, 195:7, 234:8, 238:11	83:6, 93:17, 166:5, 166:6, 224:1, 224:10
applies 117:10, 152:7, 157:22, 170:23	appropriately 15:10, 175:13	arrangement 10:21, 115:1, 235:1
apply 56:1, 60:23, 63:7, 76:25, 82:12, 117:9, 138:17, 140:21, 143:2, 145:6, 146:13, 159:24, 161:6, 193:2, 228:8	Approval 23:4, 24:7, 234:23, 235:1, 237:25	Arrastia 96:1, 107:2, 108:21, 109:13, 128:21, 129:12, 129:14, 129:20, 147:2, 151:6
applying 49:21, 150:8	approvals 181:11	array 120:19
Appoint 92:15, 103:10, 140:14, 159:14, 162:2, 179:23, 186:13, 194:24, 194:25, 196:15, 235:11	approve 44:8, 100:20, 228:15	Arribas 3:11
appointed 81:11, 99:17, 99:18, 117:17, 144:21, 145:4, 227:12, 228:21	approved 21:20, 35:22, 44:22	arrive 10:20
appointing 140:16, 158:23, 195:12	Approving 16:22, 17:20, 234:13, 238:9	arrived 65:14
appointment 103:10, 119:24, 140:5, 140:7, 145:2, 161:5, 162:10, 164:8, 164:10, 183:13, 185:10, 194:13, 195:3, 195:16, 195:20, 195:22, 235:24, 237:7, 237:11	approximately 20:8, 20:14, 21:3, 115:19, 121:21, 128:5	Article 39:2, 44:10
appointments 116:14	April 72:5, 172:7, 201:19	articulate 215:5, 215:7
appreciate 68:23	aptly 79:20	articulated 34:16, 40:5, 60:4, 174:7, 176:5, 177:18
apprised 12:12	area 114:2	articulates 34:17
approach 29:5, 32:17, 106:18, 125:3, 125:15, 125:24, 163:6	argue 33:24, 59:20, 76:20, 76:25, 147:9, 147:13, 208:3, 218:10	artificially 27:21, 28:8
appropriate 14:24, 16:7, 35:9, 46:1, 61:7, 89:15, 92:5, 116:18, 119:20, 122:17, 122:25,	argued 37:18, 213:21	as-yet 29:13
	argues 169:7, 169:19, 184:16, 196:5, 215:16	aside 10:7, 52:1, 64:4, 77:13, 123:15, 192:6
	arguing 32:4, 40:15, 49:24, 76:23, 79:12, 113:7, 120:9, 175:24, 185:15, 189:25, 190:1, 215:7	asks 192:5
	argumentative 22:14, 22:23	aspect 178:17, 178:24
	arise 52:16	aspects 151:13, 167:10, 176:4, 196:24
	arises 52:18	assert 28:23, 31:9, 41:12, 101:14, 110:9, 138:14, 139:24, 147:21, 160:4, 169:22, 169:24, 170:14, 178:7, 178:13, 217:2, 235:8
	arising 170:24	asserted 107:25, 128:15, 152:9, 152:10, 168:22, 169:21, 201:3, 211:21, 211:24, 216:1, 236:8
	arose 213:13	asserting 48:1, 91:9, 139:18,
	around 9:4, 40:8,	

147:20
assertion 120:13,
206:5
assertions 164:4
asserts 85:7,
128:18, 169:12,
178:8
assessments 11:14
asset 150:15
assets 43:9, 98:23,
114:5, 149:11,
175:17, 212:1
assigned 81:24
assist 74:12
assistance 229:16
associate 181:25
associated 137:1,
192:19, 195:12,
196:19
Association 12:3
assume 7:12, 99:19,
172:17, 199:19
assumed 97:19
assumes 27:22
assuming 104:17,
191:12, 228:15
Assurance 3:32,
47:14, 111:3
assurances 231:7
assure 195:1
Assured 3:41, 3:42,
7:8, 50:12, 69:22,
117:4, 145:11,
226:22
Atara 3:33, 47:13
attach 211:21,
211:25
attached 51:23,
95:22, 144:14,
153:11, 174:18,
211:25
attachment 99:12,
170:12, 174:16,
174:19, 179:2
attack 191:3
attacked 180:22
attacking 48:17,
190:22, 191:2
attacks 28:21,
49:11, 183:16

attempt 29:14,
29:16, 55:22,
60:15, 77:24,
116:18, 119:16,
211:16
attempting 74:16
attempts 85:24
attend 182:1
attention 12:19,
78:19, 81:10,
84:2, 89:25, 165:7
attestations 85:19,
86:4, 184:21,
190:13
attested 191:1
attorney 65:15,
181:19, 181:22,
194:1
attorneys 133:2,
181:25, 182:4,
193:24
attractive 137:10
attributed 136:23
audible 6:18
Aurelius 113:17,
220:14, 235:22,
237:5
AUST 3:11
authorities 57:8
Authority 2:13,
3:19, 9:6, 9:11,
9:17, 42:21, 57:5,
57:16, 77:8,
115:25, 160:8,
160:19, 161:7,
164:7, 164:9,
170:6, 213:21,
216:12, 235:2,
235:4, 235:16,
236:5
authorization 96:5
authorize 118:1
authorized 140:23
authorizing 85:6,
158:18
automatic 103:25,
116:7, 207:1
available 7:15,
7:18, 8:6, 15:9,
38:3, 80:13,

95:20, 124:1,
124:4, 133:19,
133:22, 157:1
availing 160:12,
213:22
avoid 45:9, 107:20,
140:16, 216:14
avoidable 112:4
avoidance 11:11,
36:20, 37:4,
56:13, 56:20,
75:7, 76:16,
85:10, 90:19,
90:24, 91:8,
95:20, 102:15,
103:1, 103:2,
103:4, 103:12,
114:10, 114:14,
117:17, 117:22,
117:24, 125:18,
126:13, 151:3,
159:1, 228:20,
235:11
avoided 114:15
avoiding 207:4
awaiting 45:25
aware 20:1, 20:4,
30:8, 46:3,
133:11, 181:9,
200:24, 201:2,
201:4, 201:9
awareness 184:23,
184:24
away 61:12, 61:18,
150:18, 201:24,
220:23
awful 40:2, 109:9

< B >
B. 4:13
backbone 10:22
background 143:20
backwards 54:21
badges 130:18,
147:16
Bairiri 131:9
balance 93:8, 133:6,
162:11, 172:9,
201:17, 202:2,

202:5, 206:25
balancing 163:25
bang 37:22, 191:19
Bank 37:13, 106:25,
141:8, 170:5,
173:5, 173:8,
173:23, 174:3,
177:23, 178:12
Bankr 161:11,
161:22, 162:6,
195:13
bankruptcies 162:25
banks 96:20, 96:22,
99:9, 109:15
bar 95:16, 98:5,
98:14, 98:17,
182:6, 220:4
Barez 139:14
bargaining 162:8
barred 231:15
barrier 98:8, 237:23
based 11:17, 12:8,
39:19, 56:21,
74:14, 75:25,
83:23, 85:18,
107:1, 131:20,
143:13, 143:19,
144:5, 154:10,
158:4, 168:16,
168:19, 169:4,
171:12, 184:20,
185:12, 210:2,
222:22, 223:2,
236:12
Basically 37:16,
98:23, 100:15,
139:7, 186:22,
191:2, 229:12,
229:23, 230:12,
230:25, 231:1,
231:17
basis 21:1, 32:11,
49:5, 53:10, 66:2,
73:13, 82:4, 99:9,
99:13, 109:25,
110:17, 117:8,
117:12, 118:1,
124:19, 128:2,
135:25, 143:21,
150:22, 156:5,

156:24, 174:20,
177:20, 215:7,
226:11
battle 58:22
bear 177:12, 196:22,
203:14
bearing 152:5
bears 127:14
became 108:8
become 12:14, 73:7,
185:16, 203:9,
207:5
becomes 80:13, 123:8
becoming 68:5
beg 47:4, 74:9
began 66:21, 75:8
begin 54:10, 238:25
beginning 12:20,
66:22, 140:4,
215:19, 231:4
begs 169:9
behind 25:23, 156:14
belabor 11:22,
69:16, 118:18
belatedly 168:25
belief 131:20
believed 169:19
believes 14:21,
52:8, 93:14,
122:1, 172:12,
172:16, 174:16,
210:10
believing 86:4
bells 80:1
belong 152:19
belongs 89:22
below 75:17, 88:4,
226:24
beneficial 73:8,
73:12, 79:21,
80:3, 80:12,
237:2, 237:22
beneficiaries 135:16
benefit 10:15, 12:4,
59:14, 94:22,
114:8, 114:16,
115:21, 124:5,
136:23, 174:19,
184:5, 200:15,
235:3, 235:9,

235:14, 235:16,
237:7
benefits 8:24, 12:3
BENNETT 4:20, 80:22,
80:24, 87:18,
88:10, 213:4,
215:6, 215:9,
219:5, 219:11,
219:14, 219:16,
221:10, 221:15,
221:23, 222:2,
223:8, 224:3,
225:13
BEREZIN 4:25, 65:17,
65:18, 65:19,
65:22, 67:14,
68:3, 68:8, 68:22,
69:1, 69:4, 69:8,
69:10
best 10:12, 26:1,
54:5, 60:15,
97:24, 122:3,
127:19, 135:22,
162:3, 240:5
bet 54:11, 54:15,
215:2
better 53:8, 64:9,
64:13, 69:4, 94:8,
94:9, 100:23,
132:17
Betting 77:21, 162:5
Beville 3:27, 166:17
beyond 102:21,
168:1, 169:20,
170:17, 220:19
Bienenstock 3:4,
7:21, 7:22, 14:8,
15:1
bifurcated 216:3
bifurcating 199:17
big 39:17, 81:22,
99:9, 109:15,
147:8, 184:19
bigger 94:7, 94:8,
94:12, 94:16
biggest 127:13
billion 29:18, 36:9,
36:10, 38:22,
38:25, 42:16,
58:20, 75:7,

75:21, 85:25,
96:23, 121:21,
156:9, 156:10
billions 72:24,
148:7, 151:7,
156:7
bills 197:22
binding 63:21, 64:12
bit 39:7, 54:5,
125:12, 179:6,
191:14, 222:23,
223:14
bite 64:25
bites 35:15
black 151:15
blame 45:21, 86:25
blank 35:11, 146:17
blanket 77:9, 84:21
blended 156:22
Block 125:10,
206:23, 229:16
blocks 10:24, 11:4,
11:6, 140:5, 140:6
BNYM 169:21, 170:2,
170:3, 170:11,
170:14
boats 149:7
bodies 75:9
bond 28:21, 32:12,
32:13, 32:20,
35:4, 35:5, 35:7,
35:8, 76:16,
85:10, 91:8,
127:22, 132:9,
135:16, 137:1,
167:13, 167:14,
173:2, 173:3,
175:3, 177:16,
177:24, 178:2,
178:17, 182:20,
196:19
bondholder 25:8,
35:11, 73:21,
183:17, 184:22,
185:10, 191:17,
194:15, 194:20,
196:8, 213:21
bones 178:25, 179:6
Bongartz 3:15,
165:2, 165:11,

165:14, 165:18,
165:20, 225:25
bonus 91:25
book 130:10
bootstrap 46:23
bore 208:5
born 133:16
borne 215:18
borrower 37:12,
37:13
Boston 238:19
bottom 89:4
bought 85:15, 85:18,
85:23, 184:16,
184:17, 184:20,
184:23, 190:25
bound 34:20, 34:21,
35:13, 35:14,
35:18, 36:2, 40:1,
54:20, 54:23,
63:14, 64:11,
64:17, 64:21,
198:14
boundaries 16:1
box 199:4
boxes 170:9, 177:25
BR 142:18
Bracewell 51:16
branch 23:9
branches 8:21
brand 135:23, 136:15
Breach 117:22,
128:8, 132:4,
132:15, 132:20,
132:21, 133:8,
133:9
break 90:16, 92:1,
153:1
breath 155:16
Brian 3:5
Brief 13:20, 16:17,
20:18, 51:23,
53:12, 53:16,
57:6, 57:15, 67:6,
103:21, 104:4,
111:7, 112:23,
120:13, 141:13,
153:11, 168:2,
188:4, 202:14,
206:7, 233:17

briefing 67:16,
71:10, 210:3,
210:5, 210:17,
210:22, 223:16
briefly 27:7, 27:9,
124:13, 185:8,
219:5
briefs 223:16
bringing 34:9,
66:15, 84:7,
94:11, 94:15,
97:9, 106:23,
107:9, 107:11,
109:6, 113:8,
113:22, 114:8,
126:13, 132:15,
144:1, 144:7,
146:10, 146:18,
152:4, 216:4
brings 105:24
broad 28:24, 60:17,
120:19, 163:22
broader 123:6, 178:9
broker-dealers
96:20, 96:25,
97:2, 143:12
Brooklyn 25:3
Bruce 4:20
brunt 208:6
buck 191:19
budget 8:11, 8:14
budgets 8:12, 12:20
building 206:23
bulk 234:24
bunch 72:21, 80:1,
99:7, 135:21,
135:22
burden 77:9, 122:16,
124:16, 127:14,
129:13, 130:2,
130:3, 131:1,
137:13, 193:5,
195:19, 199:19,
200:8, 203:11,
234:25
burdened 189:23
burdens 193:8,
199:15, 199:21,
199:22, 200:12,
203:11, 207:1

burdensome 205:20	82:25, 128:14,	184:24, 187:10,
burn 150:12, 150:13	132:4, 147:19,	188:8, 211:10
business 82:19, 94:6	159:12, 159:14,	changed 205:21,
businesses 197:21	159:20, 193:8,	228:13
buy 104:17	228:16, 229:23,	changes 92:8,
buyback 135:14	230:1, 230:4,	164:24, 165:1,
buyers 186:22	236:12	215:10, 226:1,
	cavalcade 185:20	226:2, 226:19,
	caveat 155:2	227:2, 228:18,
	central 28:9	230:17, 231:25
< C >	cert 209:16, 209:18,	changing 153:12
C. 4:32, 81:16,	212:22	channeling 23:8
81:21	Certainly 15:3,	chaos 40:7, 41:9,
Cadwalader 50:12,	39:23, 64:9,	42:1, 45:23,
117:2, 117:4	64:17, 70:13,	55:21, 65:1
Cadwalater 145:11	79:1, 110:18,	chaotic 55:22
calculated 59:19	119:24, 137:9,	Chapter 101:5,
calibrated 208:2	140:11, 170:15,	117:17, 138:2,
call 11:5, 24:25,	176:16, 187:11,	138:3, 139:1,
25:4, 63:19,	190:14	139:2, 162:3,
107:21, 143:23,	Certification 8:7,	163:2, 169:15
153:1, 187:11,	12:19, 198:8,	characterize 28:21
223:21, 229:12,	198:10, 203:25	chart 128:2, 128:12,
229:22	Certified 8:20,	133:1
called 47:20, 128:13	197:23, 198:13,	cheap 109:12
calling 73:12	201:18	checked 170:9,
calls 143:17, 186:2,	certify 8:8, 8:12,	170:11
235:4	240:4	checking 170:13
capable 83:21,	certiorari 13:1,	checkmarks 145:22
156:21	212:18	checks 170:14
capacity 194:2	cetera 99:10, 99:11,	children 133:16
capital 141:12,	102:16, 108:16,	choice 33:8, 33:15,
163:12, 219:19	109:9	38:13, 38:15, 42:2
captioned 169:1,	chairing 120:22	choices 38:10,
221:22	challenge 50:21,	80:11, 83:25,
care 125:7	72:25, 73:2, 83:4,	223:1
careful 138:18	83:5, 182:21,	choose 81:18, 217:4
carefully 17:16,	238:4	choosing 183:25
91:2, 97:24,	challenged 29:13,	chose 50:16, 216:22,
159:5, 190:20,	31:24, 31:25,	216:24, 216:25,
191:23, 234:15	54:17, 76:16,	219:1
carried 17:9	85:9, 91:8, 182:20	chosen 47:23, 212:8
Carry 228:12	challenges 58:15,	Cir 161:10
carrying 164:2	89:13, 89:14	circled 62:8
cars 133:16, 149:6	challenging 109:7	circulated 226:12
cash 150:11	chambers 71:16,	circumscribed 28:8,
CAT 4:49	238:10, 238:22	29:4
catch 155:16	chance 64:8, 91:22,	circumscribes 27:21
Catesby 4:16	94:9	circumstance 48:4,
caught 144:2, 157:21	change 142:6,	79:3, 182:22
cause 73:1, 82:11,		

circumstances 26:13, 30:11, 74:4, 74:8, 77:6, 77:17, 78:6, 79:11, 79:12, 79:14, 79:17, 98:18, 101:6, 123:20, 127:19, 136:2, 140:9, 140:11, 161:4, 194:3, 213:16, 235:18, 236:14, 236:21, 237:11, 237:23	198:9, 198:13, 198:21, 199:16, 199:17, 200:11, 201:18, 201:22, 202:2, 202:7, 203:5, 203:7, 203:20, 203:25, 205:5, 205:13, 207:18, 207:20	closed 117:19, 169:4, 169:5, 169:10, 210:2, 223:21
circus 75:11	claw 73:1	closely 20:21, 192:1, 195:16
citation 120:15	clawback 72:15, 73:25, 77:18, 89:7	closing 152:12, 164:11, 206:20
cite 35:2, 36:22, 37:10, 42:22, 42:24, 43:12, 116:6, 147:24, 147:25, 169:10, 213:25, 214:3	clean 213:2	CM/ECF 181:3, 181:20, 183:2, 192:8, 192:20
cited 56:24, 57:5, 57:12, 58:4, 79:4, 81:6, 101:3, 139:2, 139:15, 141:13, 142:8, 142:14, 173:6, 216:13	cleanest 220:7, 224:8	CMO 19:12, 193:16
cites 43:6, 121:1, 139:9, 139:12, 139:13, 144:22, 151:25, 170:4, 170:23, 215:22	clear 14:5, 14:21, 16:21, 41:18, 48:10, 54:24, 59:16, 65:6, 67:9, 87:2, 87:7, 95:18, 102:13, 102:19, 109:9, 141:14, 145:9, 160:18, 163:10, 170:22, 173:22, 175:1, 182:7, 183:14, 190:7, 210:9, 223:5, 228:8, 232:14, 233:1	co-counsel 96:21, 207:11, 233:7
citizens 163:21, 164:14	clearly 19:17, 45:13, 51:25, 102:17, 103:3, 103:8, 104:10, 176:22, 182:3	co-defendants 109:19, 204:13
City 44:16, 162:5	Clerk 7:3, 20:25, 86:11, 86:18, 183:4, 183:5, 192:10, 192:23	co-exist 178:3
Civil 29:25, 30:4, 44:10, 111:18	client 40:25, 41:3, 182:3, 205:22	co-extensive 89:10, 89:18, 90:6
claimants 19:18	clients 42:15, 129:18, 182:4	co-movants 118:16
claimed 184:25	clock 72:9, 85:3, 93:9, 209:12, 210:14	co-plaintiff 228:19, 228:22, 228:25, 230:9, 231:3, 237:21
claiming 54:22	close 46:10, 79:11, 93:18, 155:10, 168:20, 169:17, 169:23, 202:21, 205:8	co-trustee 228:22, 229:1, 231:3, 237:21
clarification 229:5, 232:7		Coalition 3:38, 42:14, 45:6
clarify 94:10		cockamamie 55:4
clarity 111:13, 227:3		Code 43:6, 82:8, 93:20, 95:21, 103:21, 111:8, 111:20, 111:24, 117:21, 138:6, 141:2, 158:25, 159:9, 159:13, 161:2, 194:22, 209:9, 229:24, 235:6, 235:10, 235:21
Class 63:21, 171:6, 171:9, 173:16, 174:24, 175:5, 197:23, 198:8,		coffee 46:19
		coffers 148:21
		coherent 62:11
		colleague 92:7, 207:22
		colleagues 73:14, 238:22
		collect 131:1, 200:7, 200:23

collection 94:6
collectively 90:7
Collier 140:18,
140:19, 162:7,
162:13
colloquy 111:6
colorability 109:7
colorable 97:9,
108:22, 108:23,
161:14, 162:17
column 128:13
combination 146:11
combusted 208:6
comers 52:15
comes 33:16, 34:17,
44:2, 55:20,
222:13
comfort 149:19,
204:10
comfortable 26:11,
105:6, 193:17,
193:19
coming 23:1, 39:22,
65:20, 78:24,
109:13, 144:9,
174:7, 223:11
commence 78:8,
112:16, 236:5
commenced 9:13,
43:25
commencement 81:23
comments 13:11,
19:25, 93:13,
125:14, 189:18
commercial 162:25
Commission 208:1
commit 61:21,
131:10, 148:2
committees 186:13,
194:23, 195:1,
195:13, 195:16,
196:15, 227:12
Commodore 116:2,
139:8
commonly 75:1,
133:23
Commonwealth-cofina
49:9
communicate 6:13,
22:18, 166:10

communicating 6:24
communications
20:24, 22:20,
187:17, 187:18,
187:19, 199:25
companies 198:24,
199:25, 203:22,
207:12
company 199:5, 200:2
compared 104:7,
110:20
compelled 141:5
compensation 96:13
competing 149:23,
162:11
Complaints 11:20,
78:16, 78:17,
80:13, 125:19,
150:4, 155:25,
196:23
complete 93:8,
171:2, 171:3,
190:1, 204:4,
216:22
completed 16:25
completely 58:11,
84:14, 106:8,
108:14, 144:2,
220:4
complex 49:16, 50:1,
100:13, 162:23,
195:25, 239:2
complexity 195:11
compliance 86:4
complicate 136:16
complicated 45:21,
64:1, 97:11, 98:1,
185:16, 185:17
complicating 160:7
complied 86:16
comply 80:3, 80:8,
84:16, 120:14,
120:17, 120:25,
152:1
complying 79:24
component 9:1, 9:4
components 8:1
composed 236:16
comprehensive
152:25, 190:1

comprised 194:16
computer 225:19,
226:16
con 139:13
concede 111:13
conceding 54:8,
56:14
conceivable 222:13
conceivably 220:11
concept 107:3,
131:25, 135:7,
137:6, 139:4,
139:13, 145:5,
150:10, 150:14,
154:17, 228:24,
230:3, 230:12
concepts 230:20
conceptually 48:11
concern 54:20,
55:19, 60:14,
66:2, 127:13,
127:16, 155:3,
155:23
concerned 15:7,
15:8, 39:25,
40:11, 40:14,
42:18, 54:21,
104:24, 234:25
concerning 9:7
concerns 9:2, 14:2,
22:15, 22:19,
23:8, 29:8,
104:18, 140:17,
152:14, 162:4,
163:20, 163:22,
164:1, 174:9
concession 9:22,
57:20
conclude 73:13,
137:11
concluded 71:3,
132:15, 237:10
concluded. 239:5
concludes 237:15,
238:17
conclusion 159:22,
196:14
conclusively 29:7,
58:3
conclusory 168:13

concrete 31:18,
34:22
concretely 34:22
condition 108:13
conditions 59:3,
199:11
conduct 136:8, 203:4
conducted 11:18
conducting 238:23
confer 44:10, 91:22,
104:9, 149:25,
224:18, 237:24
conference 6:11,
181:8
conferring 104:22,
237:17
confessions 149:4
confidence 97:20,
164:13
confident 201:7
confidential 128:1
confidentiality 12:5
confirm 13:9, 41:18,
172:2, 180:12,
226:21
confirmable 163:23
Confirmation 171:15,
172:11, 172:12,
172:20, 173:9,
173:11, 188:23
Confirmed 171:6,
197:1
confiscation 7:1
conflict 124:2,
124:6
conflicts 141:3
conforming 228:18,
230:17
conformity 221:12
confused 45:20
confusing 39:5,
52:23, 60:2, 65:4
confusion 39:5,
45:17, 47:13
Congress 138:3,
138:7, 138:18,
139:22, 140:1,
163:10
conjunction 69:6,
71:13, 71:17

consensual 29:20,
144:24, 145:1,
145:3, 150:22,
237:17
consensually 16:8
consensus 106:7
consent 101:19,
102:5, 103:22,
103:23, 103:24,
104:7, 104:8,
104:9, 104:15,
104:22, 138:22,
146:4, 146:12,
146:13, 159:18,
160:23, 233:1,
235:7, 237:10,
237:16
consented 101:18,
104:5, 127:11,
160:10
consenting 26:12,
102:12
consents 104:2,
123:12
consequence 78:12,
137:15
consequences 41:3,
49:1, 80:9,
164:17, 237:4
consider 17:23,
23:12, 25:22,
26:6, 44:14,
103:17, 154:19,
161:23, 172:11,
174:8, 187:21,
195:10, 198:8,
217:15, 223:21
consideration 51:8,
52:19, 53:7,
68:23, 78:4, 86:8,
147:15, 171:19,
174:11
considerations
86:19, 195:11
considered 17:14,
34:23, 89:5, 91:2,
159:5, 188:6,
191:23, 206:6,
206:8, 234:15,
234:18

Considering 105:25,
202:23
consistency 19:12
consistent 6:10,
41:15, 45:23,
61:23, 154:16,
232:20, 232:22
consisting 185:10,
240:4
consolidate 212:9,
218:9
Conspiracy 39:19,
39:21, 54:10,
131:3, 131:4,
131:9, 131:13,
131:17, 134:15,
147:21, 148:2
constituencies
17:13, 164:14,
193:17
constituency 28:17,
28:22
constitute 86:6,
225:7
Constitution 46:6,
46:9, 46:15, 86:5,
187:13
Constitutional 3:37,
27:14, 27:18,
29:24, 42:14,
45:6, 55:5, 57:20,
57:23, 162:4,
173:25, 174:22,
189:9
constitutionally
30:2
Constitutions 178:11
constructive 10:19,
89:23, 128:9,
128:10, 130:9,
130:12, 130:25,
147:6
construe 174:3
consult 153:4,
208:15
consulted 167:24,
180:5
consummated 9:24
consummation 172:13
contain 146:21

contemplate 187:12, 212:21, 236:11	236:6	copies 166:7, 193:11, 193:13, 219:12
contemplated 8:25, 153:8, 183:12, 236:15, 237:19	Continued 4:1, 11:19, 26:7, 67:8, 113:18, 123:23	copy 71:17, 169:17, 180:17, 193:13, 193:14, 205:25, 226:2, 226:5, 226:8
contemplates 193:16, 237:6	continues 13:21, 66:5, 122:11, 188:19, 230:25, 232:21	core 27:20, 48:7
contemplation 155:25	contract 76:6, 132:5, 132:15, 132:21	Corp 213:25
contend 212:4	contracts 9:18, 10:14, 76:5, 205:14	corporate 139:7, 139:8
contending 98:7, 210:10	contradicts 169:18	Corporation 3:33, 3:42, 3:44, 4:24, 18:11, 47:14, 111:4, 144:11, 161:11, 162:5
contends 160:19, 160:21	Contrary 55:18, 206:5	corporations 8:21
contention 55:17, 101:16	contributed 79:16	Correct 33:17, 58:14, 62:21, 68:3, 69:8, 95:12, 97:23, 112:19, 167:14, 167:15, 173:16, 174:13, 174:21, 175:10, 175:11, 176:1, 188:5, 189:6, 191:14, 211:5, 228:5
contest 30:12	contribution 31:6, 32:9, 37:16, 48:2, 48:8, 170:24	corrected 73:14
contested 24:6, 60:5, 63:25, 91:17, 145:4, 145:5	contributions 212:2	correctly 59:19, 204:2
contests 30:12	control 36:8, 94:11, 150:15	corresponds 16:13
context 65:25, 74:16, 77:25, 80:14, 89:22, 91:16, 93:22, 93:23, 98:22, 104:9, 106:11, 123:6, 123:14, 126:2, 161:25, 162:4, 162:23, 163:9, 175:9, 187:4, 187:17, 216:15, 238:5	controlled 151:13	cost 88:5, 89:1, 96:15, 99:20, 100:1, 100:2, 109:20, 109:24, 134:4, 182:18, 189:24, 191:6, 191:11, 191:18
contexts 104:19	controversy 39:16, 41:7, 44:11, 76:12, 91:6	costly 99:10
contingency 99:9, 99:13, 109:25, 110:17, 135:25, 143:21, 156:5, 156:8, 156:24, 156:25, 157:15, 157:20, 157:25, 158:2	convene 23:17	costs 110:18, 133:24, 161:20, 162:22, 190:17, 195:12, 202:4, 203:15, 204:22, 206:3, 206:4, 206:6, 206:8, 206:9, 206:10, 206:17, 218:12
contingent 52:4, 58:23, 67:23	convenient 21:2	
continuation 163:7	conversation 46:19	
continue 14:17, 15:7, 21:22, 46:19, 66:12, 71:13, 169:22, 169:24, 188:16,	convey 105:3	
	conveyance 111:15, 112:5, 112:10, 148:3	
	conveyances 75:2	
	conveyed 105:4	
	convince 77:6	
	convinced 221:24	
	cool 221:25	
	cooperate 150:7	
	coordinate 99:24, 218:9	
	coordinated 89:24, 91:12	
	coordinating 183:20, 185:12, 185:19, 191:15	
	coordination 26:6, 190:18, 217:13	

Count 33:6, 131:4, 184:13, 210:1, 210:5, 210:22, 212:14, 212:19, 213:2, 217:18, 221:6, 221:16, 223:22, 223:23, 224:22 counter-argument 57:13 counterclaim 48:2, 58:6 counterclaims 49:12, 210:2, 217:19, 217:20, 217:21, 221:7, 223:24 counting 36:13 counts 32:21 couple 90:15, 92:17, 92:18, 133:18, 165:22 course 15:14, 20:16, 23:19, 26:14, 45:16, 66:14, 74:24, 81:22, 82:12, 94:21, 118:2, 124:25, 128:25, 153:13, 186:17, 198:4, 201:24, 210:9, 228:15, 234:19 courtesy 180:17, 193:11, 193:13 courthouse 18:15, 18:21, 193:12 COURTROOM 6:13, 6:22, 6:24, 7:2, 14:24, 33:22, 79:9, 83:1, 91:23, 95:3, 164:24, 165:4, 165:16, 165:19, 165:21, 166:11, 200:16, 208:16, 225:25, 226:7 Courts 38:1, 49:25, 103:23, 104:3, 104:6, 148:1, 161:12, 161:19, 162:1, 162:7,	181:9, 186:12, 195:10, 195:15, 200:12 cover 222:6 covered 16:19, 53:19, 95:2, 141:14, 163:11, 171:7, 175:5, 229:15 crash 40:21 crazy 33:2 create 40:7, 41:8 created 58:24, 79:15 creates 124:2, 231:11 creating 45:10 credibility 127:12 Credit 2:27, 129:9 critical 8:16, 8:18, 8:24, 9:4, 27:22, 66:1, 67:23, 163:16, 203:16, 215:14, 215:23, 216:11 critically 37:20 criticisms 164:3 criticized 110:14 cross 11:5, 56:4 cross-claim 48:1, 207:13 cross-claims 200:20, 200:25, 204:17 cross-motions 223:15 cross-referenced 117:21 crossed 71:1, 95:13 crucial 33:18, 185:18 crushing 29:17 crux 101:15 crystal 54:24 CSR 240:13 CU 173:4 culminate 9:20 cure 48:21, 49:6 cured 46:23 current 8:14, 31:9, 52:17, 98:17, 110:8, 210:12, 212:8, 235:24,	236:13, 237:22 currently 17:2, 97:21, 116:12, 172:22, 235:19 Curtin 3:44, 50:11, 50:13, 50:14, 117:3, 117:6, 118:8, 120:4, 120:23, 121:3, 121:7, 121:10, 123:16 CUSIP 174:11 Cusips 173:4 customer 205:19, 207:16, 207:23 customers 205:18 cut 14:16 cut-off 75:17, 75:18, 88:2 Cybergenics 116:1, 116:20 < D > D&O 110:2, 110:3 D. 161:22, 195:14 DALE 3:6, 208:24, 209:1, 209:4, 209:5, 210:15, 211:3, 211:5, 212:25, 213:6, 213:9, 213:20, 215:13, 216:12, 217:11, 225:15, 225:16 damage 97:14, 132:17, 135:12, 147:20 damages 30:7, 37:14, 80:9, 107:13, 110:21, 128:15, 130:22, 131:2, 131:25, 137:1, 146:18, 152:11, 156:20, 170:24, 174:1 data 8:6, 205:13, 205:22, 207:16, 207:18 database 76:6,
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

205:21, 205:22
databases 207:16
date 19:11, 19:13,
19:19, 20:9,
74:21, 81:21,
82:3, 97:11,
97:22, 154:5,
201:9, 238:18
dates 7:15, 7:17
daunting 65:3
day 15:17, 30:8,
80:4, 100:19,
103:8, 107:18,
143:25, 150:3,
164:15
days 19:10, 19:17,
19:18, 25:17,
96:10, 96:11,
101:13, 104:2,
129:23, 133:18,
156:17, 220:19
de 109:20
dead 37:22
deadline 9:9, 80:8,
81:25, 82:10,
84:17, 87:4,
153:10, 154:4,
154:9, 155:16,
155:24
deadlines 7:10,
67:16, 70:19,
71:11
deal 11:3, 14:16,
20:17, 21:1,
25:20, 50:1,
50:25, 56:5,
66:25, 67:1,
69:21, 78:5, 95:5,
101:4, 124:24,
138:10, 146:16,
150:6, 187:8,
215:17, 218:21,
220:13, 220:22,
230:7
dealing 21:23,
22:23, 47:17,
81:17, 82:9,
93:15, 93:22,
95:25, 102:14,
102:24, 105:17,

106:9, 152:3
deals 34:20
dealt 93:21, 187:11,
210:8
debate 49:13, 157:12
debating 35:3, 61:24
Debtors 1:18, 75:10,
94:22, 101:6,
192:9, 196:18
debunk 94:4
debunked 144:19
decertified 203:7
decide 35:7, 43:15,
126:7, 223:1
decided 14:12,
14:23, 51:4,
75:16, 120:17,
209:7, 212:6,
214:9, 217:7,
224:13, 236:22
decides 122:12,
126:16, 222:11,
227:13
deciding 68:13,
101:18
decision 13:3,
65:11, 68:17,
68:21, 131:8,
160:5, 162:20,
181:7, 193:3,
208:14, 209:15,
209:20, 210:11,
211:18, 212:13,
212:15, 212:18,
212:24, 213:14,
213:18, 213:25,
214:7, 221:6,
224:7, 225:6,
235:22, 236:1,
237:5
decision-making
211:10
decisions 14:15,
83:15, 130:5
declaration 83:20
declaratory 58:15,
58:17, 219:23
declared 73:25,
77:20
declined 160:4

declining 140:14
deemed 104:4, 210:5,
223:23
deems 124:20, 194:24
deep 66:2
deepening 102:16,
105:19, 117:23,
128:13, 131:19,
131:21, 131:23,
132:1, 142:7,
144:1, 146:15,
146:18, 146:21,
151:20
deeply 63:15
default 184:24
defaulted 85:16,
190:13, 191:2
defect 40:24, 48:22,
49:21
defend 32:24, 34:6,
54:25, 55:1,
100:14, 100:23,
191:4, 204:4,
204:15, 204:21
defendant 30:12,
38:3, 38:4, 49:19,
49:20, 63:20,
79:15, 203:14,
211:15, 213:15,
231:17
defending 32:9,
32:16, 134:4,
183:24, 184:5,
187:3, 196:11
defense 11:20,
34:16, 37:21,
54:22, 76:18,
77:4, 91:10,
133:24, 134:4,
134:12, 191:7,
200:22, 204:18
defenses 30:19,
37:14, 38:2,
49:22, 52:9,
52:10, 52:16,
55:6, 55:16,
138:15, 231:15
defer 142:22
deference 164:2
deferred 53:9

deferring 53:6,
53:7, 171:18,
171:19, 176:19
deficient 46:23,
122:19
deficits 141:15,
141:17
defined 228:12,
229:23, 230:1,
230:5
defines 111:24
definitely 12:11,
224:19
definition 102:18,
169:9
definitions 169:14
definitive 9:18,
122:10, 145:18,
184:9, 223:19,
224:20
defraud 130:15,
147:7, 147:9
degrees 54:21
Dein 73:11, 79:23,
80:6
Delaware 139:7
delay 18:14, 57:23,
130:15, 147:7,
147:10, 220:16
delegation 237:16
deleted 227:17,
228:16, 231:4,
231:5
deletion 232:20,
232:23
deliberate 138:25
deliberated 129:11
deliberations 129:1
delicate 162:11
delicto 147:8
delta 182:18, 182:22
demonstrate 195:4,
196:20
demonstrated 74:7,
162:21, 193:8
demonstrating 128:3,
130:4, 195:19
demonstration 74:5
denial 7:1
denied 91:14,

117:16, 137:16,
151:10, 159:8,
164:19, 192:13,
215:9
denominated 60:6,
176:25, 177:15
deny 43:19, 123:3,
124:10, 178:4
denying 188:11,
192:2, 197:4
depart 193:9
department 170:10
dependant 73:2,
78:11
depending 213:8
deposit 74:21
deposition 71:11
Depositions 67:17,
136:8, 198:1,
205:6
deprive 190:23
depriving 63:11
DEPUTY 165:4,
165:16, 165:19,
165:21, 208:16,
225:25, 226:7
derivative 95:17,
95:19, 98:14,
101:15, 101:17,
101:22, 114:19,
114:21, 117:13,
124:17, 126:3,
126:7, 139:4,
139:7, 152:1,
159:2, 159:17,
160:3, 160:25,
161:12, 229:25,
237:18
derivatively 122:25
derived 101:19,
139:21
describe 93:16,
107:10, 109:22
described 22:11,
22:20, 40:19,
99:12, 113:2,
145:18, 151:12,
151:21, 227:6,
232:12
describes 107:8

describing 232:11
description 122:10,
145:17
designated 163:15
designation 98:8
designed 27:14,
41:8, 163:10
designing 44:21
desire 199:18
despite 13:22, 27:15
detail 77:14, 97:16,
108:16, 112:14,
145:18, 227:6
detailed 129:24,
145:22, 152:8,
229:21
details 110:3
determination 13:4,
48:24, 50:3, 77:9,
178:5, 178:6,
211:20, 237:20
determine 34:4,
36:2, 38:2, 45:4,
66:1, 119:18,
119:19, 122:24,
205:17
determined 36:20,
41:12, 180:6,
210:2, 213:2,
235:25
determining 42:21,
102:12, 161:4,
161:5, 161:18
detriment 236:7
develop 22:25
developed 21:10,
224:12
device 6:16, 6:17,
6:24, 7:1
devices 6:12, 6:15,
7:2, 166:10
devolve 15:10
dial 106:4, 106:5
Diana 3:21, 202:10
dictionary 169:14
differ 74:9, 213:7
difference 42:2,
56:22, 102:9,
130:11, 132:19,
147:8, 184:19

differences 130:1, 130:6, 130:22	177:19, 178:21	131:13, 217:11, 217:18
differential 177:25	disappear 33:5, 111:10	disparate 29:12
differently 216:20	disavow 132:10, 227:20	disposed 94:12
difficult 70:5, 79:24, 84:1, 136:17, 179:4	disavows 132:22	dispositive 203:4
difficulty 137:4	discharge 101:5	dispute 49:9, 121:24
diligence 74:5, 74:8, 77:13, 83:13, 86:14, 86:19	discharged 171:15, 173:21	disputed 98:4
diligent 74:16, 77:16	disclaim 28:23	disqualifies 120:5, 120:6
dime 129:4	disclose 119:16, 155:6	disqualify 120:2
diminish 206:9, 206:18	disclosed 97:12	dissipated 153:16
Direct 27:16, 27:17, 29:25, 114:4, 114:11, 114:19, 178:20	disclosing 97:16	distinct 123:25, 177:9
directed 109:1, 210:5, 223:23, 238:8	disclosure 155:4	distinguish 216:12
directing 121:6, 178:20, 188:7	disclosures 196:24	distinguished 81:24
directly 23:24, 29:22, 34:21, 37:7, 47:16, 49:3, 55:7, 60:9, 113:22, 136:23, 200:23, 212:23, 216:2	discount 135:15, 157:22, 184:17	distinguishing 49:23
director 8:23	discover 201:8	distortion 127:18
directors 105:21, 133:10, 133:12, 134:1, 134:5, 145:10	discrete 15:2	distracted 84:2, 84:3, 84:4
disagree 30:24, 47:4, 64:6, 215:15	discretion 43:2, 43:8, 43:15, 43:18, 43:19, 57:19, 57:22, 130:5, 131:16, 195:10, 195:22, 225:5	distracting 84:6
disagreed 122:16	discriminatory 50:18	distressed 220:21
disagreement 133:8, 175:6, 190:7	discuss 12:13, 153:5, 205:10	distributed 9:19, 94:13, 133:1, 175:18
disallow 171:8, 176:17, 178:14	discussed 154:22, 199:18, 234:17	distribution 9:24, 173:18, 173:20
disallowance 169:25, 171:3	discussing 185:13	distributions 94:14, 196:25
disallowed 136:25, 169:23	Discussion 16:3, 126:13, 179:13, 179:14, 179:16, 208:17	Distributors 147:24
disallowing 176:16,	discussions 8:3, 12:4, 13:23, 13:24, 17:12, 22:11, 22:22, 23:5, 24:15, 129:1, 136:9, 191:20, 230:10	District 1:3, 2:35, 2:36, 7:4, 38:2, 147:25, 151:19, 181:5, 181:13, 181:20, 181:23, 192:6, 192:14, 192:23, 193:12, 193:15, 195:8, 199:12, 201:7, 201:13, 203:17, 206:13, 221:9, 240:1, 240:2, 240:7
	disguised 55:3	diverge 123:24
	disingenuous 128:25	diverse 194:20
	Dismiss 172:22, 172:23, 198:2	divided 95:17, 97:7
	dismissal 43:24	Docket 1:6, 1:22, 2:3, 2:19, 43:16, 48:13, 71:9, 87:3, 90:20, 118:12, 158:20, 166:25,
	dismissed 131:11,	

177:16, 179:25,
180:13, 180:18,
208:22
docketed 183:8
docketing 192:10
dockets 192:12
Doctrine 39:2,
77:13, 131:23,
138:7, 142:7,
142:13
doctrines 141:25
document 23:15,
52:3, 219:7,
219:17, 221:22,
234:2, 234:14
documentary 201:22
documentation 9:18
documented 179:18
documents 6:17,
74:20, 74:22,
74:23, 101:20,
141:14, 192:11,
199:24, 201:10,
203:23, 205:25,
223:20
doing 14:23, 25:2,
35:9, 38:6, 41:23,
48:4, 48:5, 70:4,
77:15, 83:11,
84:20, 88:12,
92:11, 100:5,
100:6, 106:2,
109:24, 110:16,
115:6, 146:24,
147:10, 176:18,
191:14, 200:3,
218:11, 221:21,
221:25
dollar 75:6, 75:17,
80:18, 126:18,
148:21, 156:9,
156:10
dollars 20:12,
20:15, 29:18,
36:9, 38:23,
38:25, 42:16,
58:20, 72:24,
75:7, 75:19,
75:21, 96:23,
115:19, 126:14,

148:7, 151:7,
182:13, 194:17
dollars. 148:8,
156:7
domain 154:12
domino 45:9
dominos 45:10
done 28:13, 38:15,
38:16, 38:19,
39:8, 58:17,
66:17, 80:10,
82:3, 83:13,
86:18, 88:16,
88:19, 88:21,
110:5, 110:6,
117:8, 119:4,
124:21, 149:3,
156:18, 172:2,
175:18, 192:17,
201:9, 208:19,
223:9
Doral 95:9, 118:24,
119:1, 119:9,
144:10, 144:11
doubt 94:17, 95:4,
105:11, 107:6,
193:5, 228:20
downhill 108:9
downstream 48:8
downtown 18:21,
18:23
dozens 96:22
draft 109:21, 128:17
drafted 232:10
drafters 82:7, 82:8
drag 37:24, 38:21,
64:21
drain 142:20, 148:21
drew 215:15
driven 125:21
dropping 129:8,
227:21
due 34:19, 35:25,
45:16, 83:13,
86:23, 87:19,
89:15, 198:15,
198:20
duplicate 36:7,
168:20, 169:5,
169:10, 169:13,

169:15, 170:8,
170:13, 170:21,
171:13, 177:16
duplicated 178:2
duplicates 203:23
duplicative 131:14,
167:13, 168:9,
168:12, 174:4,
174:8, 175:15,
176:23, 177:21,
178:4, 178:17,
178:22
duplicativeness
175:9
During 6:24, 72:25,
111:6, 113:25,
128:25, 153:1,
198:4, 201:24
duties 84:15
duty 117:23, 128:8,
128:9, 132:10,
132:20, 132:23,
133:9, 133:10
dynamics 123:7

< E >
e-mail 71:18,
165:16, 183:4,
183:5, 193:19,
226:13, 226:15
e-mailed 180:17,
193:12
e-mailing 6:23,
166:6, 226:8
e-mails 86:11,
226:11
earlier 15:2, 33:4,
67:12, 118:10,
126:11, 164:9,
185:13, 230:23
early 8:9, 42:16,
45:12, 50:20,
62:24, 186:21
earn 157:1, 164:13
earned 135:6
Eastern 147:25
easy 105:22, 181:21
eat 182:17
ECF 16:14, 24:9,

26:16, 26:21,
179:24, 181:10,
181:16, 193:17,
193:20, 197:12,
208:22
echo 53:20
economic 10:16
economy 9:5, 10:23,
52:19
Edward 3:26
effect 45:10, 89:15,
148:14, 164:20,
201:4
effective 60:16,
64:11, 88:6, 89:1,
172:3
effectively 55:9,
138:20, 141:14,
160:1, 176:20,
236:24
effects 80:25
efficiency 39:4,
52:20, 65:17
efficient 15:11,
178:3, 183:9,
192:17, 212:7,
212:10
effort 81:11, 83:17,
83:22, 132:18,
208:19, 212:11,
220:10, 224:10
efforts 87:2, 200:20
effusive 238:21
ego 46:5, 46:17
eight 91:20, 91:25,
167:21, 169:18,
180:2, 180:7,
197:16, 209:3
eight. 229:22
Either 30:17, 35:25,
36:1, 38:17, 43:8,
49:23, 56:14,
61:18, 63:11,
73:5, 74:7, 77:1,
78:20, 78:25,
82:13, 111:11,
155:11, 200:10,
210:24, 211:1,
211:6, 211:25,
212:25, 215:18

elected 139:21
election 116:13
Electric 2:12
electricity 197:22,
205:19, 208:7
electronic 6:12,
6:15, 180:24
electronically
205:24
element 15:19,
15:20, 162:15,
174:9, 175:4,
178:4, 178:14
elements 147:11,
153:6, 163:18,
174:6, 224:19
eligible 123:17
Elizabeth 4:18,
197:20
Emanuel 42:13
embellish 179:8
embraces 171:6
Employees 1:31,
2:19, 4:5
employer 212:2
employment 156:11
enable 29:20
enacted 85:16
encompass 120:18
encompassing 91:7,
112:3
end 8:13, 68:11,
89:19, 107:18,
110:13, 113:12,
123:10, 124:18,
152:6, 163:19,
164:15, 214:3,
216:21, 225:11,
228:19, 237:4
ends 114:20, 217:3
energy 80:15
enforceability
215:25, 219:24
engage 131:4, 131:5,
131:17, 136:9,
136:14, 200:9
engender 140:17
engineer 29:11,
29:16, 217:12
enhance 132:2

enough 40:7, 45:20,
52:14, 56:7
enrichment 128:9
Enron 96:21, 129:17
enshrined 224:13
ensure 122:2,
192:16, 199:3,
199:21
enter 16:22, 17:20,
91:18, 149:4,
149:9, 149:24,
164:19, 194:8,
197:4, 212:22,
221:12, 221:22,
223:22, 225:3,
238:10
entered 71:15,
79:23, 157:20,
188:11, 199:15,
199:16, 209:15,
209:19, 219:7,
221:8, 221:18
entering 25:22,
87:5, 158:1,
224:15
Enterprises 161:9,
237:19
entertain 26:10,
40:9
entire 138:7,
138:21, 143:17,
203:21, 215:16
entirely 68:2, 174:4
entirety 40:20,
142:4, 159:8,
188:12, 215:9,
231:6, 231:24
entities 95:8,
119:1, 120:1,
120:19, 142:1,
163:1, 169:20,
228:9
entitled 27:23,
34:13, 76:25,
82:16, 82:17,
86:21, 132:12,
164:1, 174:11,
198:21, 220:20
entitlement 178:10
entity 34:10, 59:13,

77:5, 95:9, 113:5, 115:24, 116:20, 119:2, 152:4, 163:8, 163:15, 163:20 entrusted 163:10 Entry 16:14, 71:9, 80:5, 90:20, 90:22, 158:21, 158:22, 166:25, 177:17, 179:24, 220:20, 227:4, 228:16, 234:13 enumerated 161:1, 238:1, 238:15 environment 184:18, 184:21 envy 238:25 equally 117:11, 193:7 Equitable 43:7, 74:3, 76:20, 76:25, 77:6, 77:13, 78:7, 79:14, 83:1, 83:10, 85:11, 85:22, 86:6, 87:20, 87:21, 89:17, 90:4, 91:16, 106:19, 126:12, 142:3, 175:24 equitably 82:4, 85:8, 90:18, 90:23 equities 207:1 equity 86:1, 86:15, 86:20 equivalent 182:5 especially 186:14 espousing 37:8 Esq 3:7 essence 15:14 essential 183:17, 184:11 essentially 15:20, 15:23, 24:25, 39:24, 41:5, 54:8, 100:19, 102:12, 106:1, 109:1, 112:18, 172:1	Establish 25:7, 25:13, 26:19, 161:13, 162:19 establishable 10:16 established 58:7, 181:14 estate 110:22, 133:15, 138:11, 138:12, 138:16, 142:20, 156:20, 161:9, 161:20, 206:9, 206:18 estopped 109:6 et 1:16, 2:29, 3:4, 99:10, 102:16, 108:15, 108:16, 109:9 evade 27:14 evaded 138:21 evaluated 9:17, 123:5 eve 216:14, 216:16, 216:17 event 31:6, 75:13, 104:16, 129:24, 133:21, 146:13, 171:10, 195:21, 215:11, 220:5, 222:9, 224:5 events 78:12, 225:7 eventual 205:7 Everybody 28:12, 33:21, 33:22, 41:25, 53:9, 54:12, 55:13, 56:13, 60:16, 62:16, 62:17, 89:16, 90:14, 124:22, 186:7, 221:25 everyone 7:14, 11:22, 15:16, 34:6, 57:24, 79:9, 94:16, 125:13, 167:17, 221:20, 226:12 everything 88:21, 120:7, 141:7, 141:8, 155:16, 175:5, 175:22,	208:19 evidence 83:12, 119:12, 119:14, 123:2, 201:23, 205:11, 205:16, 225:7 evil 141:21 eviscerates 138:20 ex 91:7, 139:14 ex-ceo 149:9 exact 169:16, 169:17 exactly 22:12, 35:9, 38:6, 63:9, 67:12, 70:8, 104:21, 108:11, 151:16, 187:23, 215:20, 219:19 examination 158:7, 158:9, 200:10 Examiner 4:30, 7:13, 10:6, 16:13, 17:7, 17:18, 158:12, 229:20 example 16:2, 31:1, 31:18, 31:20, 31:21, 31:22, 33:21, 35:14, 51:1, 88:16, 103:25, 104:3, 105:3, 149:9, 187:2, 199:24, 200:11 exceeded 76:2, 187:14, 187:16 exceeds 139:25 Except 39:19, 83:13, 99:17, 197:5, 221:5, 226:2 exception 166:9 exceptional 237:10 exceptions 101:5 Excessive 75:25, 204:12 exchange 113:24 exchanges 191:21 Excluded 66:23, 66:24, 67:8, 138:6, 138:10 exclusion 138:25 exclusive 160:8,
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

163:19
exclusivity 136:12
excuse 84:11, 171:2,
188:9
excused 18:2
executions 133:20
executive 8:22
exercise 43:18,
75:5, 150:15,
164:7, 164:17,
195:22
exercised 131:15
exercises 164:16,
237:16
exercising 160:11,
195:10, 225:5
exhaustively 35:19
Exhibit 17:21,
17:22, 17:24,
48:13, 107:23,
128:22, 145:19
EXHIBITS 5:8
exist 133:19, 139:4,
147:23
existed 27:13
existence 26:7,
70:20, 113:19,
177:8
existing 21:19,
63:17, 184:2,
210:5, 221:16,
223:3
exists 142:3, 214:1
expect 17:4, 17:13,
126:2
expected 8:7
expecting 106:3
expects 8:8, 8:11
expedient 7:11,
124:21
expedited 21:1
expend 160:6
expending 133:15
expenditures 182:25
expenses 110:19,
196:18, 196:22,
203:7
experience 110:16
expert 40:17,
129:13, 129:15

expiration 93:18,
111:16, 112:11,
112:12, 229:7
expire 41:17, 88:12,
98:20, 235:20,
236:1, 236:6
expired 76:24
expiring 88:15
expiry 114:7
explain 27:7, 28:13,
30:1, 59:18, 90:7,
100:23, 112:23,
159:7, 217:16
explained 141:9,
164:9
explaining 27:9,
211:24
explains 214:1
explicitly 160:15
exposed 78:24
exposure 136:3
express 85:5,
103:22, 103:24,
104:7, 160:23
expressly 132:10,
132:22, 148:13,
161:1, 163:10,
168:7, 169:1
extant 210:23
extend 70:19, 82:11,
135:12, 135:13,
135:14
extended 112:18
extends 160:20,
233:19
Extension 18:6,
18:17, 65:14,
65:25, 66:20,
68:4, 68:5, 68:6,
68:11, 68:18,
68:24, 69:1,
70:19, 71:10,
82:5, 84:10,
84:22, 216:8,
220:16, 229:14
extensions 66:3,
67:6, 70:9, 70:10
extensive 22:11,
22:20
extra 126:24,

219:12, 226:5
extraordinarily
80:18, 195:25
extraordinary 74:4,
74:7, 77:17, 78:6,
79:3, 79:13,
79:17, 213:16
extremely 74:15,
142:21
eyes 133:2

< F >
F.2d 161:10
F.3d 37:10, 214:3,
235:23
face 37:21, 77:18,
102:4, 122:19,
173:1
faced 49:16, 235:19,
236:4
faces 50:24
facilitate 43:10
facing 41:16
factor 201:16,
202:15
factors 147:16,
152:2, 198:17,
200:6, 200:13,
202:14
facts 49:23, 53:9,
58:24, 79:11,
107:19, 108:11,
127:18, 136:2,
210:5
factual 209:25
fail 10:12, 57:13
failed 29:19, 37:13,
86:17, 119:4,
122:16, 127:16,
161:17, 162:19,
172:11
failure 86:9,
137:12, 214:19
fair 60:14, 123:15,
126:17, 141:6,
141:22, 192:17,
193:6
fairly 145:22,
154:16, 184:13,

217:21
faith 70:4, 85:18,
126:9
fall 124:22, 171:8,
174:23, 198:10
false 33:8, 33:15
falsely 36:6
familiar 11:23,
77:8, 104:1
familiarity 97:3
far 15:11, 22:20,
80:25, 121:23,
122:6, 130:25,
131:23, 132:7,
142:2, 142:4,
195:5, 202:20,
216:16
fashion 41:15,
52:21, 78:2,
79:25, 89:24,
157:8
fast 59:11, 227:8
fate 185:15
fault 79:15, 79:19,
86:3, 86:6
favor 207:1
FDIC 37:11, 37:12,
37:15, 37:20,
37:22
feasibility 66:12
feasible 23:9, 67:1
feature 29:5,
136:12, 227:18
features 6:18
February 12:8, 172:3
Federal 3:23, 29:25,
30:8, 44:9, 142:9,
198:12
federalism 162:4
Fee 4:30, 7:13,
10:6, 16:13, 17:6,
17:18, 17:20,
17:22, 17:23,
156:5, 156:24,
158:12, 182:5,
182:6, 190:19,
190:20, 229:19,
229:20
feel 15:24, 65:6,
80:17, 141:4

fees 135:4, 135:6,
148:5, 186:18,
191:13, 194:6
feet 70:13
FEGAN 4:18, 197:14,
197:15, 197:18,
197:20, 199:12,
200:24, 201:16,
202:9, 203:22,
204:11, 207:10
feigned 54:20
feigning 55:19
fellow 53:18
felt 62:14, 133:3
fend 214:2, 214:5
fetched 142:2
few 93:13, 109:11,
115:16, 148:20,
186:2, 202:15
FGIC 226:22
fiduciary 117:23,
128:8, 128:9,
132:10, 132:20,
132:23, 133:9
field 180:21
fielding 186:2
fifth 17:3
fight 64:22
fighter 44:16
figure 56:10, 89:20,
130:17, 224:1,
225:11
figuring 89:22
filers 181:16
filing 13:2, 20:20,
21:18, 38:8, 70:2,
75:3, 126:18,
153:13, 155:19,
180:24, 193:15,
213:8, 224:24
filings 97:18,
153:3, 181:12,
190:7, 192:22,
193:11, 193:16
filter 22:17
filtering 23:8
final 13:4, 16:24,
17:21, 62:6,
107:21, 107:22,
128:2, 133:7,

141:24, 146:17,
146:19, 146:20,
146:21, 146:25,
149:16, 149:17,
153:9, 154:23,
184:15, 201:16
Finally 11:19,
52:19, 66:18,
67:5, 123:15,
171:14, 184:15
Finance 4:23, 18:11,
65:23, 99:4
Financial 1:9, 1:25,
2:6, 3:18, 90:17,
108:13, 118:24,
118:25, 144:10,
144:11, 156:11
financings 55:3
find 103:23, 120:1,
128:24, 130:19,
131:5, 131:6,
131:7, 132:24,
133:5, 147:23,
194:3, 225:5
finding 31:7, 164:6,
200:18, 228:13,
229:24
findings 52:5, 53:1,
230:5
finds 159:18,
159:23, 161:6,
177:25, 227:5,
235:13
fine 18:20, 41:25,
81:19, 92:22,
151:4, 155:17,
155:21, 155:22,
175:16, 176:3,
221:21, 225:1,
225:2
finger 215:13,
218:16
fingers 71:1
fire 70:13
firm 74:11, 96:1,
96:19, 99:8,
99:23, 110:16,
110:18, 128:22,
129:21, 143:9,
144:6, 151:6,

156:8, 156:25
firmly 122:1, 127:13
firms 96:23, 128:6,
128:7, 187:15
Fiscal 3:17, 8:4,
8:7, 8:8, 8:13,
8:14, 8:20, 8:25,
12:20, 163:12,
212:3
fit 79:19, 218:2
five 36:13, 36:15,
42:7, 74:24,
80:22, 85:3,
111:1, 128:6,
132:19, 172:4,
187:15, 214:23,
223:16, 229:8
flags 75:25
flat 58:7
flatfooted 144:2,
157:21
flawed 32:10
fleshed 179:18
flexible 52:14
flip 111:17, 134:14,
149:2
flippant 23:18
flipping 230:21
flips 114:24
focus 23:18, 36:17,
73:15, 88:11,
113:23, 201:17,
207:3, 208:11
focuses 78:19,
81:10, 122:8,
163:6
focusing 88:23
Foerster 188:17
fold 182:18
folks 56:3, 56:17
follow 234:22
followed 187:9,
195:16
following 7:17,
23:2, 69:3, 70:21,
112:10, 112:12,
125:1, 149:12,
154:18
follows 198:19
FOMB 85:7, 85:12,

85:22, 86:10,
86:16, 86:24,
87:3, 87:8,
167:24, 184:16,
190:21
footnote 118:15,
118:21, 144:13,
151:19, 151:20,
227:21, 228:6
forced 55:9, 78:8,
150:7
foreclose 55:17,
151:25
forecloses 37:8
foreclosure 37:13,
37:14
foregoing 164:5,
238:6
foremost 198:22
forever 68:18,
84:10, 90:5
forfeited 57:2,
57:17
forget 25:10, 104:2,
110:7
forgetting 201:20
forgot 130:10
form 88:3, 106:23,
154:19, 178:21,
181:25, 182:2,
192:3, 218:24,
234:24, 237:6,
237:9
formal 12:13, 95:6,
236:20
formally 19:16
formation 194:22
former 105:20,
109:11, 133:10,
133:11, 145:9
forms 105:15, 105:23
formulation 8:4,
162:13
forth 21:8, 234:14
forward 9:21, 10:23,
25:13, 27:5, 40:6,
40:8, 41:8, 43:3,
43:21, 44:5,
44:23, 45:7, 47:1,
47:4, 68:20,

136:16, 151:3,
157:3, 157:6,
157:11, 207:3,
210:6, 225:11
found 6:23, 84:8,
104:3, 208:1
four 9:12, 25:11,
42:22, 56:23,
132:3, 191:25,
197:24, 223:16,
228:6, 229:5
four-year 72:25,
75:3
fourth 16:19, 43:12,
194:13
frame 162:17, 224:2
framework 96:16,
125:4, 160:24,
161:25
Frankly 37:8, 77:8,
78:19, 94:15,
116:17, 176:16,
201:10, 220:21,
221:4, 222:16,
223:9, 231:25,
234:5
fraud 102:16,
105:19, 117:23,
130:18, 147:11,
147:17, 147:20,
174:1
fraudulent 75:2,
107:25, 108:6,
111:15, 112:5,
112:10, 128:10,
128:11, 130:8,
130:9, 130:11,
130:13, 130:20,
130:23, 130:25,
131:4, 131:5,
131:17, 145:24,
145:25, 148:3,
152:8
free 151:4, 189:22,
218:18
free-wheeling 231:20
freely 213:11
frequently 141:11
fresh 64:25
Friedman 3:19,

137:19, 137:20,
140:8, 142:17,
150:8
friends 46:20, 54:1
front 19:9, 64:16,
171:25, 199:10,
219:9
fruitful 179:16
fruition 12:18,
69:24
frustrate 38:5
fuel 197:22, 200:3,
205:18, 205:19
full 99:13, 119:8,
121:9, 141:23,
156:17, 204:4
fully 57:1, 131:25,
158:1, 182:17,
200:22, 221:17
function 185:12,
185:19
functionally 114:20
functions 8:16
Fund 2:28, 85:15,
160:7
fundamental 35:24,
62:21
Fundamentally 48:1,
170:14, 176:24
funded 114:5,
114:21, 141:17,
141:18
funding 191:3, 191:4
Funds 4:10, 4:28,
88:3, 115:18,
188:21, 212:1,
212:2, 215:5
futile 214:1
futility 213:20
future 7:1, 15:15,
52:10, 76:16,
78:12, 136:25,
143:1, 163:7,
163:20, 193:10,
233:2

< G >
G. 3:15
Gabe 18:9, 53:15,

121:18
Gabriel 4:24
gain 66:16, 218:12
gambit 174:24
Garcia 197:24,
198:7, 198:9,
199:13, 204:11
garden 75:1, 88:20
Gas 161:11
gather 17:8, 23:24,
28:16, 67:22,
95:8, 205:4
gave 168:8
GDB 81:9, 84:4,
100:4, 105:21,
109:11, 133:5,
133:10, 133:12,
134:1, 134:6,
135:9, 141:5,
141:7, 141:9,
141:12, 141:13,
141:14, 141:18,
141:19, 141:21,
151:11, 151:13
General 3:29, 7:25,
106:7, 121:22,
123:24, 124:5,
183:22, 186:11,
191:7, 194:11,
194:14, 196:3,
196:12
Generally 77:1,
79:13, 81:14,
81:15, 94:22,
95:18, 96:9,
102:22, 102:25,
103:11, 109:22,
112:17, 161:12,
200:17
generated 143:18,
143:19
generating 78:21
generis 79:10
Genovese 95:22,
96:19, 99:8,
99:23, 107:7,
108:17, 108:20,
110:15, 110:21,
128:22, 129:21,
129:25, 143:9,

144:6, 145:19,
145:22, 152:7,
156:25
gets 58:8, 82:3,
114:24, 155:4,
156:1, 157:5,
215:10
getting 20:22,
40:22, 60:11,
60:12, 76:14,
78:5, 94:9,
110:11, 115:3,
148:5, 176:4,
223:14
Given 28:19, 86:13,
115:14, 124:6,
137:7, 139:5,
140:14, 149:17,
154:17, 162:2,
163:25, 182:8,
182:13, 183:3,
190:12, 214:18,
219:6, 231:7
gives 94:22, 116:16,
232:12
giving 33:8, 33:15,
38:14, 63:13,
79:25, 82:1,
126:24, 150:20,
150:21, 198:20
glad 118:9
Glenn 140:13
Global 2:27
goal 29:11, 94:6,
94:7, 94:16, 163:4
goals 163:4, 163:14,
164:13
Gold 213:25
Gos 39:19, 47:23,
115:19, 115:20,
186:15, 188:10
Gotshal 18:10, 65:23
gotten 15:24, 44:22,
154:11
govern 25:7
governing 12:6,
111:11, 112:12
Government 1:32,
2:20, 8:4, 8:21,
9:2, 10:1, 139:11,

139:22, 141:10,
141:11, 163:1,
163:7
governmental 75:9,
116:14, 116:20,
139:23, 140:21,
142:4, 228:9
governments 163:2
Governor 8:15
governs 194:22
grab 94:20, 98:23,
100:11, 100:20,
150:13
Grant 3:34, 13:5,
61:10, 89:9,
101:17, 103:1,
111:3, 127:8,
135:22, 150:1,
152:13, 157:24,
159:19, 160:2,
160:16, 160:19,
160:21, 160:25,
175:2, 192:2,
215:12, 217:4,
224:16, 234:23,
235:7
granted 66:2, 68:24,
69:1, 70:9, 71:9,
71:11, 73:10,
74:4, 76:15,
76:21, 87:5,
117:13, 117:14,
123:8, 143:20,
156:1, 167:16,
171:11, 175:3,
178:16, 197:6,
198:9, 213:11,
214:18, 238:7
granting 68:11,
84:21, 102:6,
122:14, 122:24,
158:20, 159:2,
194:8, 225:3,
235:14, 236:14
grants 126:5
grateful 153:2
grave 191:4
Great 19:24, 69:21,
81:22, 92:22
greatest 74:18

greatly 76:1
gree 224:23
Gregg 3:7, 69:14
Gregory 197:24,
198:7, 199:13,
204:11
grievances 145:14,
145:15
gross 66:5, 66:18,
127:18
ground 53:19, 58:25,
168:19, 213:23
grounds 168:17,
168:24, 169:5,
170:12
Group 3:28, 4:13,
10:1, 27:8, 42:18,
42:20, 42:22,
44:1, 44:8, 44:21,
45:5, 45:23, 46:7,
46:11, 46:23,
47:2, 47:20,
50:15, 51:8,
51:17, 52:8, 53:6,
63:22, 144:3,
185:23, 186:17,
188:7, 188:17,
233:8
groups 12:9, 23:18,
29:15, 73:21,
184:2, 184:3,
184:13, 188:18,
196:2, 196:5,
196:9, 196:10
Guarantee 4:23,
18:11, 65:24,
150:2
guarantor 37:17
Guaranty 3:41, 3:43,
50:12, 117:4
guess 10:6, 76:22,
76:24, 88:6,
114:18, 156:2,
176:4, 179:12,
194:20, 213:7
guessing 160:5
guide 181:1
guiding 99:20
guy 186:1
guys 62:9

< H >
half 26:23, 27:3,
36:15, 113:6,
194:17
halfway 39:8
hall 78:11
hand 98:6, 129:2,
129:3
handful 130:1
handle 73:17
handled 177:10
hands 39:3, 162:10,
201:12
handy 142:15
hanging 83:6, 115:7
happen 14:3, 46:18,
58:18, 68:19,
69:24, 69:25,
70:8, 78:1, 94:21,
113:18, 116:3,
137:8, 137:9,
151:9, 166:7,
204:15, 222:6,
224:11
happened 12:7, 14:3,
26:1, 44:24,
83:23, 83:25,
84:18, 97:3,
143:13, 148:15,
215:3
happening 15:20,
84:6, 205:9
happens 30:8, 30:25,
48:5
happy 10:18, 17:6,
18:15, 18:17,
18:25, 57:15,
61:8, 71:3,
120:25, 121:10,
186:17
hard 70:5, 75:8,
125:25, 205:25,
226:2, 226:5,
238:23
harm 52:11, 53:6,
202:6, 202:23,
207:1
harmed 115:22

harms 201:17
Hastings 13:18
hat 64:18
haunt 66:5, 66:12
he'll 157:7
head 190:24
headed 28:7, 58:22
heading 18:23
heads 85:13, 153:20
headway 54:8
hear 7:11, 7:13,
10:6, 15:5, 32:25,
36:19, 45:15,
61:8, 61:13,
61:14, 61:23,
62:1, 62:3, 68:11,
68:19, 69:12,
70:22, 70:24,
88:18, 106:7,
134:3, 157:7,
157:17, 213:4,
216:21
hearing. 227:7
hearings 14:3,
193:22
heart 96:14
heartened 11:7
heavier 131:1
heavily 110:14
hedge 31:4, 61:12,
63:6, 85:15,
188:21
heightened 199:20
held 40:23, 82:20,
135:10, 140:13,
162:1, 206:14,
208:17
help 31:18, 102:2
helpful 96:17,
186:3, 210:13
herd 204:12
hereby 104:8
hereof. 226:25
herring 55:22, 150:5
high 15:24, 113:2,
195:5
higher 22:1, 126:15,
152:11, 225:7
highlight 202:16
hinder 130:15,

147:6, 147:10
hire 157:22
hired 83:9, 83:11,
144:6
historical 231:5
history 66:20,
106:14, 125:22,
161:24
hit 180:18
Hoc 3:28, 10:1,
27:8, 42:18,
42:20, 42:22,
43:25, 45:5,
45:23, 46:7,
46:11, 47:2,
69:23, 181:23,
181:24, 181:25,
182:5, 184:2,
184:3, 185:22,
193:2, 196:2,
233:8
Hold 40:10, 85:13,
167:5, 178:5,
207:19, 214:15
holder 79:21, 199:2
holders 11:2, 11:5,
35:6, 46:7, 55:12,
56:4, 73:8, 73:12,
80:3, 80:12, 88:8,
92:15, 177:22,
187:16, 187:20,
189:12, 194:14,
196:16
holding 50:3
holdings 194:16,
196:19
holds 115:18,
160:23, 202:25
hole 47:3
holistic 163:6
home 163:21
homes 133:16
honest 127:19
Honorable 2:35,
240:6
hope 9:4, 13:5,
21:12, 64:17,
64:20, 67:4,
68:23, 135:23,
210:13, 222:12

hoped 69:24
hopeful 69:25, 70:6,
70:8, 71:1
hopefully 25:17,
69:23, 89:11,
220:5
hoping 154:7
host 140:25
hour 113:7, 165:13,
214:2
hourly 156:22
hours 92:17, 92:18,
158:4
HT 141:18
HTA 8:5, 8:9,
141:16, 232:22,
232:25, 233:3,
233:19, 233:20
huge 42:1, 152:18,
156:23
humongous 80:15
hundred 183:18
hundreds 126:19,
168:13, 182:13,
183:18, 185:21
hunting 223:25
hurdles 142:3
hypothetical 30:3,
30:11, 43:23,
58:23, 58:24
hypotheticality 64:5
hypothetically
46:16, 171:1

< I >
idea 38:15, 46:14,
81:25, 83:4,
83:10, 116:10,
134:8, 142:3,
148:25, 149:6,
207:17
ideas 46:2
identical 169:16,
217:17, 223:25
identified 34:22,
48:22, 75:24,
79:10, 83:4,
105:17, 227:5
identify 63:18,

75:1, 122:22, 205:18, 207:22, 207:23 identity 80:2 ignore 147:18 ignores 134:16, 170:1 ignoring 125:25 II 16:12 III 1:8, 1:24, 2:5, 19:5, 39:2, 44:10, 52:25, 123:6, 123:12, 159:20, 162:23, 192:12, 192:16, 196:17, 206:22, 223:22, 224:22 illusory 203:12 illustrative 76:8 imagination 127:12 imagine 32:12, 46:11 immaterial 169:19 Immediately 55:7, 66:4, 66:10, 198:10 immense 204:23, 205:12 imminent 11:4 imminently 13:2 immunity 133:12, 133:13, 134:1, 134:11, 148:11, 148:12, 148:16 impact 45:22, 48:25, 123:7 impair 52:11, 62:10 impairing 54:22 impediment 151:24, 210:11 impermissibly 129:8 implement 29:19 implementation 8:19 implicate 52:16 implicated 50:20, 163:24 implication 152:15, 215:15 implicitly 160:14 implied 146:4 implies 88:23	importance 10:11, 185:12 important 29:9, 52:20, 72:13, 93:15, 94:2, 100:8, 111:8, 128:10, 130:21, 140:12, 141:3, 149:13, 161:23, 163:18, 183:20, 206:22, 225:10, 228:19 Importantly 111:22, 112:11, 162:25 impose 152:13, 163:23 impossible 122:23, 124:24, 152:16, 152:17, 182:16 impractical 182:15 impression 11:3 improper 125:21, 130:3, 168:24, 168:25, 170:18, 171:13, 201:10 improperly 129:8, 137:13, 171:16, 171:17 improvidently 76:21 in. 225:20, 230:2 inability 236:9 inapposite 57:9 inappropriate 14:10, 122:15, 178:14, 220:4 inappropriately 208:4 Inc. 4:28, 195:7, 195:13 incapable 179:9 incentive 134:21, 200:21 inclination 26:4 inclined 215:12 include 109:11, 111:25, 149:14, 149:15, 173:1, 188:9, 224:20, 229:24, 230:5 included 13:24,	128:12, 138:7, 173:5, 174:16, 178:25, 197:25, 198:1, 198:2, 205:18, 217:21, 227:22 includes 221:5 including 6:18, 6:20, 6:25, 9:18, 14:8, 14:9, 121:22, 135:14, 135:17, 145:23, 168:23, 177:19, 178:10, 178:11, 181:9, 190:24, 196:1, 210:3, 212:1, 234:16, 235:6 incoherent 32:15 inconsistency 36:18 inconsistent 41:10 incorporated 82:9, 112:9, 159:10, 222:23, 230:20 incorrect 35:1, 38:16, 46:25 increase 208:10 increases 66:17 increasing 21:20, 22:1, 115:5 incredibly 203:12 incremental 99:20 incrementally 182:23 incur 203:6 indemnification 148:19 indemnity 133:25 indentured 73:4 independent 47:25, 131:22 indicate 160:15, 177:7 indicated 20:3, 72:4, 128:14 indicating 19:19 indication 98:7 individual 19:7, 75:5, 85:14, 88:7, 95:7, 109:10, 109:21, 109:23,
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

114:4, 116:9, 118:20, 120:10, 129:18, 133:10, 149:1, 179:18, 179:23, 183:14, 183:15, 183:17, 183:22, 184:4, 184:12 individually 114:22, 197:5 individuals 85:14, 85:17, 86:12, 86:21, 97:1, 105:20, 109:8, 109:14, 110:8, 110:10, 133:17, 134:5, 134:8, 134:20, 148:9, 149:4, 180:21, 183:19, 184:14, 194:16 indulge 18:13 indulgence 24:17, 178:24 ineffective 57:9 inexpensive 181:22 inferences 164:4 infirmities 51:7 inflection 61:5, 61:7 inflict 200:20, 201:6 info 75:4 information 6:14, 7:14, 76:4, 80:1, 80:13, 87:8, 97:20, 134:18, 154:11, 187:7, 199:2, 201:11, 203:18, 204:1, 204:5, 204:7, 205:4, 205:11, 205:20, 205:23 informative 19:19 informed 158:1 inherent 43:15 initial 36:11, 64:12, 75:18, 196:8, 220:19 initially 21:8	initiate 161:8 initiated 211:14, 218:18 initiating 217:12 injure 127:23 injury 44:7, 58:4, 58:5 injustice 191:5 inordinate 88:16, 88:19 input 11:18 inputting 92:8 inquired 7:25 inquiry 163:19 insider 147:12 insisted 66:24, 230:1 insolvency 102:16, 105:19, 117:23, 128:13, 131:19, 131:21, 131:23, 132:1, 142:7, 144:1, 146:15, 146:18, 146:22, 147:12, 147:13, 151:20 insolvent 108:7, 108:8, 108:15, 147:14 instance 37:11, 142:23, 158:9, 163:15, 204:7, 207:25, 208:24, 222:25 instances 104:6, 104:25 instant 160:14 instead 62:22, 181:22, 185:19 institutional 88:7 instructions 9:7, 11:25 instructive 161:9 instrument 177:24, 178:2, 178:17 instrumentalities 8:13, 75:10, 141:16 instruments 208:2 insufficient 162:17,	164:6 insufficiently 179:18 insurance 133:19, 133:22, 134:13 insure 44:7, 232:17 Insured 10:1 insurers 10:2, 196:1, 231:18, 232:17 insures 121:21 intelligent 89:24 intend 26:22, 55:20, 67:20, 96:10, 128:3, 131:25, 134:18, 135:5, 135:20, 137:3, 154:5, 156:3, 187:8, 231:8, 232:21, 232:25 intending 23:17, 34:2, 96:17, 135:1 intends 56:14, 127:21 intent 15:3, 31:5, 45:19, 130:15, 130:17, 147:6, 147:10, 163:9, 220:16 intention 41:19, 109:6, 147:9, 224:16 intentional 83:15, 130:8, 147:5, 147:20, 212:15 interactions 199:9, 199:23 interest 6:6, 30:21, 35:12, 72:15, 72:24, 73:9, 73:23, 77:19, 78:10, 85:17, 85:19, 85:25, 86:1, 88:3, 89:8, 89:14, 122:3, 156:12, 163:23, 190:16, 192:18, 192:21, 192:24, 194:2, 196:11, 237:8
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

interested 17:12, 33:22, 35:11, 63:18, 74:19, 116:5, 133:15, 185:20 interesting 114:10 interests 31:11, 123:22, 123:24, 162:12, 192:16, 196:3, 196:6, 196:9, 196:16, 211:21, 211:24, 236:17 interface 22:16 interfere 202:5 interference 66:19, 99:5, 113:10, 138:13, 140:21, 149:22, 150:4, 150:5 interfering 98:21 Interim 16:19, 16:22, 16:23, 17:3 intermediary 192:11 interplay 98:2 interposed 189:5 interpretation 112:20 interprets 235:5 interrelated 33:8 interrupt 67:14 interrupted 236:7 interrupting 115:13 intervention 35:22, 49:4 introduction 95:24 invalid 30:22, 32:20, 32:21, 32:23, 33:6, 34:7, 34:12, 35:8, 38:23, 38:25, 39:1, 45:11, 45:12, 55:2, 55:4, 74:1, 77:19, 77:20, 180:22, 182:21 invalidate 32:4, 45:11, 55:20, 58:20, 62:23, 85:24	invalidated 46:8, 62:3 invalidating 59:15 invalidity 31:15, 33:4 investigate 74:13, 122:12, 159:3 investigation 75:16 investigations 11:17, 163:17 investment 182:14 investments 190:23 investors 9:8 invitation 60:5 invite 26:9, 193:17 invited 15:6, 54:11, 143:23 inviting 48:6 invoke 63:25, 139:20 invoked 85:7, 140:10 invokes 86:19, 93:2 invoking 38:7 involve 147:2, 163:3, 166:18, 170:23 involved 16:4, 16:9, 22:13, 22:14, 23:5, 36:21, 36:25, 39:20, 39:21, 40:14, 42:19, 44:21, 64:24, 89:16, 96:24, 98:15, 109:20, 129:17, 137:9, 193:5, 230:10, 231:3, 231:19, 231:21, 232:13, 232:15 involvement 99:16 involves 15:12, 15:15, 24:16 involving 41:19 ipad 226:14 ironic 55:8 irrational 82:24 irrevocable 190:13, 191:1, 191:8 island 96:25 issuance 12:24, 13:3, 136:2, 137:1	issuances 127:23, 132:9, 132:13, 196:7, 196:12 issued 6:11, 9:6, 9:7, 31:23, 32:3, 45:14, 91:1, 135:15, 135:18, 153:8, 189:8, 196:17, 198:12, 209:15, 220:18 Item 7:24, 11:25, 16:12, 19:5, 26:18, 71:21, 92:24, 164:21, 165:24, 182:2 items 238:14, 238:17 iteration 230:23 iterations 154:22, 154:24, 234:16 itself 27:21, 29:20, 32:13, 52:4, 95:19, 114:20, 144:15, 151:14, 152:4, 169:18, 172:21, 173:17, 174:25, 204:2, 204:15, 204:20, 204:21, 221:11, 236:16 IV 71:21, 164:21 IV.2 26:17 IV.3 26:18 IV.5 92:24 IV.6 165:24 < J > J. 3:4, 3:44 Jan. 161:22, 162:6 Jason 4:10, 215:4 Jenner 125:10 Jerry-rig 224:10 jobs 81:24 John 96:1 join 52:18, 60:5, 60:21, 118:14, 150:3 joinder 95:6, 118:7, 118:8, 118:9, 124:14
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

joined 7:4, 79:5,
194:21
joining 48:2, 120:1
Joint 24:8, 51:21,
72:17, 102:23,
153:18, 155:11,
155:18, 201:1,
225:12, 234:13
Jointly 1:11, 1:27,
2:8, 103:7
joking 39:22
Jones 4:16
Jorge 4:17
Juan 6:1, 6:7,
238:20
Judge 2:35, 2:36,
7:22, 16:16,
17:11, 18:1,
34:10, 72:1,
72:11, 79:23,
80:6, 90:11,
140:13, 151:23,
153:24, 156:8,
166:19, 197:24,
198:7, 198:9,
199:13, 201:8,
204:11, 204:12,
209:7, 240:7
Judges 12:2, 215:2
judgments 163:16,
163:18
judicata 218:10
judicial 6:10,
12:15, 52:19,
160:11, 181:8
July 188:6, 222:7
jumbo 78:16, 78:17
jump 45:8, 147:25,
214:3
jumping 59:1, 115:14
juncture 206:25
June 7:16, 8:9,
16:19, 17:5, 17:9,
17:14, 17:25,
19:16, 20:9,
21:14, 26:5,
26:13, 26:16,
69:2, 238:15
junior 189:1
jurisdiction 43:22,

44:11, 91:5, 91:18
justice 192:17,
213:12
justiciable 44:12
justifiable 39:15,
161:19
justification 62:10,
164:6
justifies 29:12,
29:17
justify 70:17,
171:2, 236:14
justifying 86:6,
235:1

< K >
Katherine 4:30
keep 12:12, 70:13,
93:8, 126:24,
134:23, 144:9,
145:24, 153:12,
157:10, 208:18,
239:4
keeping 206:6,
207:1, 238:25
Kentucky 35:2
kept 190:18
key 15:19, 51:21,
111:8, 113:23,
149:13, 201:12,
231:12
kicking 65:1
kidding 109:5
Kim 74:15, 136:20,
151:13, 151:15
kind 29:1, 41:14,
44:15, 45:12,
109:11, 114:25,
125:23, 136:14,
139:12, 181:18,
199:4, 223:11,
224:12
kinds 222:24
Kirpalani 3:38,
39:15, 41:6, 42:7,
42:9, 42:11,
42:13, 47:7,
56:23, 57:25,
58:9, 59:1, 62:19

knock 64:21
knowing 78:10
known 108:14
knows 11:12, 11:16,
12:25, 44:9,
62:16, 62:17,
65:4, 82:7,
116:15, 123:22,
128:12, 130:14,
132:25, 133:2,
140:19, 140:23,
154:3, 155:24
Kobre 74:14, 136:20,
151:13, 151:15
Krajick 7:4

< L >
labeled 168:7
laboratories 198:24,
200:2, 205:15
laboratory 199:6,
207:12, 208:1
laborious 73:7
Labs 195:13, 195:18,
203:22
lack 30:19, 84:2,
86:14, 86:15,
86:19, 86:20,
138:23, 147:15,
177:2
Landon 4:7, 125:9
language 52:22,
104:21, 227:4,
227:11, 228:20,
229:20, 231:16,
232:16
large 11:11, 80:18,
185:10, 185:25,
189:13, 190:22,
191:17, 194:21
largely 22:24,
39:16, 99:15,
124:15
larger 184:13,
188:21
largest 66:22,
198:23
lasting 66:25
Lastly 206:2

late 8:9, 45:13, 46:7, 52:15	leaving 64:4	216:23, 219:25,
later 8:15, 15:13, 18:24, 19:3, 20:17, 21:16, 24:18, 33:16, 36:19, 38:15, 38:16, 61:16, 61:17, 62:4, 63:13, 83:3, 83:11, 88:19, 126:7, 170:13, 216:16, 223:3, 225:1	Lecaroz 3:11	221:16
latest 65:25, 166:4	lecture 147:5	life 15:15, 45:13, 56:10, 214:25, 217:24
latter 166:7, 167:12	left 18:22, 93:10, 114:25, 138:13, 186:7	Lift 67:21, 68:1, 69:18, 71:12, 198:6, 198:16, 214:13
Laura 2:35, 240:7	legal 28:18, 29:6, 49:17, 50:2, 53:10, 89:24, 115:7, 117:8, 125:3, 141:25, 184:7, 184:9, 184:17, 184:24	lifted 199:10, 199:20, 202:6
Lawful 3:36, 29:15, 42:14, 45:5	legally 63:21, 140:22, 142:5	lifting 191:15, 200:13
lawless 84:22	legislative 125:22, 161:24	light 26:12, 183:16, 211:18, 222:20, 235:21, 237:3
laws 86:5	legislature 8:15	likelihood 78:10
lawsuit 30:13, 218:19, 229:9	legitimacy 139:21	likely 9:19, 13:10, 61:6, 85:10, 115:21, 142:12, 156:19, 203:8, 205:25
lawsuits 153:15	Lehman 37:9, 112:7	likewise 46:22
lawyers 65:5, 135:2, 135:21, 195:17	lend 141:10	limit 27:15, 27:18, 28:3, 32:1, 32:2, 32:7, 32:14, 32:22, 33:6, 35:4, 55:5, 59:19, 59:25, 187:13, 189:9
lays 51:24	length 225:4	Limitation 41:21, 235:20
lead 47:3, 107:19, 107:20, 109:18, 152:10, 187:23	lengthy 58:21	Limitations 41:17, 56:9, 56:16, 73:18, 76:17, 76:24, 77:4, 79:6, 82:13, 85:8, 85:12, 88:11, 88:21, 91:9, 91:15, 93:18, 93:19, 97:22, 106:6, 111:11, 111:17, 112:12, 114:7, 201:4, 229:7, 237:3
learn 215:14	less 15:11, 54:17, 64:13, 78:18, 93:7, 125:4, 134:20, 156:17, 185:17, 194:17	limited 6:20, 7:1, 68:24, 78:2, 91:11, 102:1, 107:12, 109:16, 113:1, 124:14,
lease 51:22, 52:7	letter 63:23, 125:2	
leases 51:2, 51:3	letting 134:24	
least 22:19, 40:6, 57:24, 60:4, 62:17, 93:5, 97:21, 99:15, 99:19, 112:25, 126:13, 131:21, 134:1, 142:2, 153:17, 162:1, 196:10	level 15:2, 15:24, 113:2, 131:1, 180:21, 181:7	
Leave 52:17, 62:9, 68:25, 107:14, 152:25, 166:16, 211:12, 213:10, 213:11, 215:8, 215:12, 217:4, 224:17	levels 168:24	
leaves 119:11	lever 123:13, 162:9	
	leveraged 141:11	
	liability 31:7, 37:24, 58:6, 59:25, 60:1, 128:7, 149:16, 200:19, 201:1	
	liable 30:7, 37:19, 40:24, 40:25, 41:2, 41:4, 132:20	
	liberal 213:10, 214:18	
	lien 149:6, 209:23, 216:2	
	liens 133:16, 215:25, 216:8,	

125:22, 135:6,
149:25, 162:2,
168:17, 192:3,
198:18, 205:4,
205:23, 207:3
limiting 95:19
limits 187:22
line 20:23, 54:6,
89:4, 234:7,
235:5, 237:19
link 116:4
liquidation 151:1
list 24:25, 55:12,
87:22, 87:23,
107:22, 107:24,
109:3, 109:4,
117:19, 145:21,
146:17, 146:20,
146:21, 146:25,
149:17, 153:9,
154:19, 154:24,
155:4, 155:5,
155:6, 208:20,
223:19
listed 17:21, 17:22,
17:23, 104:10,
104:11, 107:7,
108:20, 110:21,
110:25, 118:20,
147:12, 147:17
listen 47:2, 193:25,
194:4, 197:6
listening 97:14,
222:18
lists 102:20, 107:8,
107:22, 108:25,
144:5, 144:13,
153:12
Listservs 63:19
literal 119:25
literally 78:9, 80:9
litigants 180:23,
181:3, 183:3,
183:8, 183:10
litigate 34:3,
34:11, 35:13,
37:23, 89:12,
89:13, 89:23,
161:18, 204:9,
204:20, 206:15,

217:5
litigated 34:13,
39:6, 49:18,
49:24, 63:11,
90:8, 189:10,
189:17
litigating 38:11,
38:13, 113:20,
196:19
litigations 49:16,
115:22, 206:6
litigators 128:16
little 18:18, 88:18,
92:21, 98:1,
125:12, 125:15,
133:19, 157:12,
179:6, 195:24,
209:12, 214:24,
217:15, 222:23,
223:14
live 164:17, 230:2
lives 82:16, 82:23
living 96:19, 109:14
Llauger 4:18
LLC 2:29
LLP 51:16
loan 37:17
loathe 162:1
local 181:24, 182:1,
183:2, 193:1
locked 225:20
locking 61:12
logging 225:20
logic 31:25, 32:10,
33:4, 37:8, 38:24,
56:1, 59:24,
62:24, 190:24
logical 59:2, 59:4,
196:14
logically 61:23,
62:11
logistically 97:11
long 66:19, 68:13,
68:15, 68:16,
79:22, 92:13,
108:1, 128:18,
129:10, 155:15
longer 32:21, 69:2,
73:18, 76:3, 89:3,
113:11, 123:10,

131:22, 144:1,
231:3
Look 19:3, 47:4,
48:10, 48:12,
52:13, 58:11,
72:25, 104:20,
106:13, 110:20,
130:16, 130:18,
145:16, 146:19,
151:12, 157:24,
161:19, 165:7,
170:8, 200:12,
219:6, 221:3,
222:12, 222:17,
226:15
looked 35:19, 37:22,
76:3, 76:4, 88:23,
101:3, 130:19,
131:6, 131:7,
133:1, 147:22,
180:25, 220:24,
222:7
looking 15:23,
72:23, 74:23,
78:14, 88:13,
99:3, 156:12,
189:3
loop 155:10
lose 31:9, 32:8,
49:19, 153:21
losing 129:23
lot 8:23, 10:18,
11:24, 12:21,
14:20, 78:19,
97:2, 105:5,
106:3, 110:16,
115:6, 131:2,
141:6, 186:2,
210:13, 218:12,
230:20, 231:11
lots 83:20, 84:8
love 39:19, 54:18
Luc 3:14, 13:18,
144:23
lucrative 164:5
lunch 71:20, 92:1,
92:2

< M >

M. 3:7	163:13	144:20, 229:12,
ma'am 211:5	markup 222:19	230:8
machinery 130:16	Marrero 197:11,	mean 30:18, 46:6,
Madison 131:9	202:17, 207:2	49:20, 53:5,
Magistrate 73:11,	Martin 3:4	63:21, 82:7,
79:23, 199:13,	MASHBERG 3:7, 65:15,	94:11, 129:13,
201:8, 204:12	69:12, 69:13,	149:3, 172:14,
magnitude 21:17	69:14, 71:6	172:17, 196:10,
mail 53:3	Mass 67:23, 161:22,	203:20, 203:21,
main 27:12	195:14	204:19, 204:20,
Mainland 3:34,	Massachusetts 181:5	230:22
111:2, 111:3,	Master 141:7,	meandering 111:23
114:9, 115:2,	151:12, 167:14,	Meaning 41:19,
115:11	168:9, 173:22,	108:11, 113:15,
maintaining 210:11	174:3, 174:10,	143:2, 145:4,
major 10:2	177:21, 178:2	187:1
majority 104:11,	matched 153:14	meaningful 78:20,
115:20, 203:15,	material 48:25,	89:23
203:18	100:2, 105:12,	means 80:10, 86:1,
malfeasance 30:5	110:20, 155:19,	86:2, 106:13,
malintent 214:5	210:4, 227:1	108:6, 122:10,
manage 23:16, 43:16	materialize 53:10	125:16, 138:15,
Management 1:10,	materializes 52:4	146:23, 149:24,
1:26, 2:7, 3:24,	materially 109:23	150:17, 183:9,
86:17, 90:18	materials 155:13	192:15, 193:6,
managing 201:13	math 59:16	226:21, 236:25
mandate 12:24, 13:3,	matter 18:14, 24:7,	meantime 67:9, 68:8,
122:11, 122:14,	24:9, 27:5, 29:24,	225:10
122:21, 220:16,	32:17, 38:11,	measure 131:24,
220:17, 220:18,	39:7, 43:22,	164:1
220:19, 221:8	57:19, 57:21,	measures 8:20,
maneuver 183:25	60:5, 65:12,	180:20
maneuvering 184:3	71:19, 73:5,	meat 179:6
Manges 18:10, 65:23	84:19, 86:6, 91:5,	mechanical 224:16
manipulate 29:14,	91:17, 91:21,	mechanism 159:19,
38:19	110:1, 117:24,	225:2, 227:14
manner 115:21,	124:18, 126:16,	mediated 12:2
190:1, 192:17,	136:8, 141:13,	Mediation 12:1,
231:1	172:25, 181:22,	12:13, 12:15,
manufacturer 40:23	182:24, 188:13	14:4, 14:22, 15:4,
manufacturing 40:24	matters 11:12,	15:5, 15:8, 15:19,
map 174:10	11:21, 17:19,	16:8, 90:2
March 20:19, 93:25,	19:6, 50:1, 63:25,	mediations 12:6
167:16, 189:16	207:5, 237:14	mediators 12:5,
Margaret 3:6, 209:5	maximize 163:4	12:7, 12:12, 14:4,
Mark 3:30, 27:7,	maximizing 163:17,	14:8, 14:11,
164:23	196:13	14:15, 14:23, 16:3
marked 225:25,	Mayer 4:28, 115:12,	medium 189:13
226:19	115:17, 115:18,	meet 84:17, 122:16,
markets 141:12,	117:1, 121:14,	164:15, 168:21,

224:18, 225:7
meetings 23:17
Mellon 170:5, 173:5,
173:9, 174:3,
177:23, 178:12
member 63:22, 143:16
members 6:6, 13:9,
73:22, 95:2, 95:7,
110:7, 110:8,
129:5, 188:10,
203:5, 203:6,
205:13, 227:11,
228:21, 228:23,
229:2, 230:25,
235:15, 236:18
membership 188:8
mention 44:9, 84:5
mentioned 12:18,
45:19, 61:2,
118:9, 119:11,
137:23, 137:24,
142:8, 149:20,
157:4, 204:16,
228:7
mentioning 107:20
mentions 151:18
merely 75:11, 163:4,
195:6
merit 105:2, 138:23
merits 26:11, 38:2,
199:17
mess 125:12, 222:23
message 105:3,
106:2, 106:4
met 23:4, 124:16,
195:19, 213:10,
234:25
method 163:11,
235:24
methodology 32:11
methods 192:25
Miami 129:14
microphone 157:17
mid 9:16
migrated 103:5
Milbank 47:14,
110:25, 111:3
Miller 3:33, 47:10,
47:11, 47:13,
47:14, 50:8, 60:4,

63:4, 232:5,
232:6, 233:19
million 75:5, 75:19,
115:19, 126:14,
194:17, 205:12
millions 148:7,
151:7, 163:21,
197:21, 202:2
mind 129:7, 153:17,
157:11
mindful 140:12,
198:17
minds 130:16
minimal 202:24
minimis 109:20
minimum 126:17,
133:12
minted 28:2
minute 26:23, 35:6,
96:13, 165:12,
167:23, 186:8,
197:18, 225:21
Miranda 142:17
mirror 217:19
misapplication 57:25
mischaracterization
62:21
mischaracterizes
54:19
mismanagement 66:5,
66:18
misses 216:11
mission 8:18, 10:13,
233:9
misunderstand 169:8
misunderstanding
127:19
misunderstood 218:15
mix 153:10
model 111:13
modest 182:8,
189:13, 190:18,
191:4, 191:18
modest-sized 179:23
modified 139:23
modify 21:19, 43:2
MOERS 4:28, 115:12,
115:18
moment 33:10, 34:22,
54:3, 153:1,

177:5, 177:12,
205:10, 208:15,
211:13, 233:25
Monday 129:23,
154:18, 230:20
monetary 126:11,
145:15
money 56:17, 75:12,
82:22, 85:22,
110:15, 114:20,
141:10, 152:15,
152:18, 173:7,
207:4
monitor 193:22
monitoring 8:19
monoline 10:2, 196:1
monolines 226:21,
227:3, 227:10,
231:18, 232:9,
232:13, 232:15
Monsita 3:11
month 67:2, 70:10
months 39:6, 58:21,
64:22, 74:24,
106:22, 119:7,
143:16, 158:13,
185:17, 213:19
monumental 8:23,
75:24
moot 203:9, 207:5,
214:8, 217:8
mooted 216:21
mootness 175:24
Morales 233:7
MORGAN 4:24, 18:9,
18:12, 18:13,
18:22, 18:25,
19:4, 53:14,
53:15, 53:18,
121:16, 121:18,
124:11, 233:16,
233:17
Morrison 188:17
motions 11:21,
61:21, 69:17,
83:21, 89:5,
102:23, 146:11,
155:14, 159:17,
198:1, 205:6,
223:5

motivation 109:12	myth 94:5	222:12, 236:20,
motive 125:21		237:2, 237:22
mountain 120:24		necessitated 210:7
mouth 110:15	< N >	necessity 153:16,
Movant 95:11, 118:5,	N. 4:10	176:18, 177:2,
119:21, 120:6,	name 38:8, 51:15,	235:13
120:7, 123:17,	80:11, 109:14,	needed 103:14, 231:7
180:1, 195:3,	116:19, 129:20,	needs 29:18, 44:11,
195:19, 197:17,	144:12, 197:20,	44:12, 56:11,
202:24, 204:16,	214:25	66:4, 66:14, 85:8,
206:3, 206:5,	named 134:19	123:5, 136:11,
208:25	namely 129:18	146:4, 146:7,
movants 28:17, 74:5,	names 73:8, 73:12,	163:15, 163:20,
158:22, 202:20,	79:22, 80:5, 80:7,	163:22, 181:15,
202:24, 203:10,	145:21, 154:20,	189:14, 204:15
203:17, 206:14,	207:17	negative 76:3, 149:2
234:25, 235:13,	naming 29:15, 109:18	negligent 40:22,
238:8	nanosecond 46:21	40:23
move 16:12, 28:14,	narrow 168:22,	negotiated 9:19,
43:3, 98:13,	175:13	184:10, 184:18,
119:23, 124:23,	National 4:22, 7:13,	233:1
157:6, 211:11,	18:7, 18:10,	negotiating 11:2,
214:13, 218:9	18:16, 53:15,	11:6
moved 198:11	65:13, 65:23,	negotiation 162:13,
moving 8:19, 10:7,	66:2, 66:22, 67:3,	184:14
21:16, 67:24,	67:5, 67:7, 70:16,	Negotiations 10:1,
105:5, 146:23,	121:19, 121:20,	10:4, 10:7, 10:10,
207:3	121:23, 122:1,	10:20, 10:24,
multiple 8:1, 35:15,	123:18, 145:17,	11:9, 12:9, 12:18,
49:18, 50:2,	226:22, 233:18	63:20, 66:21,
84:11, 101:19,	nature 29:4, 31:20,	66:23, 67:3, 67:4,
105:15, 139:2,	32:15, 40:18,	67:10, 70:11,
168:24, 174:15,	86:22, 119:9,	81:8, 123:7,
198:1	119:16, 140:3,	129:1, 136:14,
multiplicity 185:14	159:16, 169:8,	137:8, 152:16,
multitudinous 11:23	211:10	162:9
Municipal 3:43,	navigate 97:24	nevertheless 105:1,
116:2, 138:12,	near 157:16, 194:18	130:6
144:19, 145:6,	neater 223:17	newer 135:8
161:25	neatest 220:7	newly 28:2, 155:19
municipalities 163:2	necessarily 46:15,	news 88:8, 92:22
musings 172:10	120:2, 120:4,	Next 12:16, 22:4,
muster 28:2	163:18, 232:15,	25:6, 25:17,
mutual 10:14	237:8	26:18, 45:4, 70:1,
mutually 10:20	necessary 34:18,	70:7, 71:2, 87:4,
Myers 137:21, 202:11	41:9, 48:3, 60:21,	91:20, 116:13,
myself 15:5, 74:15,	61:1, 71:13,	116:14, 117:2,
180:22, 190:25,	155:12, 195:1,	133:13, 137:5,
224:1, 225:20	195:4, 195:20,	150:3, 164:21,
mystery 62:15, 62:17	196:21, 221:25,	186:2, 208:20,

225:12, 227:2,
228:12, 229:19,
238:18
nice 45:15, 54:1,
224:2
night 7:7, 67:16,
129:22, 137:25,
156:2, 230:20
Nine 75:20, 117:17,
128:6, 129:22,
139:1, 162:3,
163:2, 179:2,
205:14
Nine. 138:3
Ninth 43:13
No. 1:6, 1:22, 2:3,
2:19, 62:1, 76:22,
90:12, 90:20,
101:23, 108:8,
121:13, 170:11,
227:9
nobody 58:16, 125:16
nominal 118:16,
203:13
non-926 104:11
non-compliant 200:3,
205:18
non-consensual
117:13, 139:4,
160:2, 164:10
non-debtor 198:5,
198:22, 204:3,
204:6, 204:7,
204:22, 204:23
non-issue 143:14
non-participants
52:17
non-recourse 149:5
non-substantive
168:7, 169:2,
170:20, 171:12,
175:14, 176:25,
177:15
None 5:5, 5:10,
30:10, 113:21,
169:14
Nor 6:14, 66:20,
69:17, 83:18,
160:8, 176:18
norm 196:21

normally 96:11,
126:1
notably 21:20
note 7:3, 55:23,
93:10, 120:12,
121:20, 121:23,
142:18, 164:11,
171:5, 173:13,
175:19, 193:10,
206:20, 233:18,
234:3
noted 123:4, 140:14,
142:10, 142:11,
204:2, 205:3,
205:8, 206:7,
206:17, 207:25
Noteholder 4:12,
51:17
notes 6:16, 6:17,
115:5, 238:2
Nothing 20:16,
53:12, 58:22,
64:9, 64:10,
73:18, 83:23,
84:18, 85:11,
85:22, 104:23,
106:12, 118:13,
133:18, 135:25,
143:19, 150:24,
156:13, 170:3,
170:20, 239:3
noticed 19:8, 19:10,
19:12, 38:12,
45:19
Notices 45:1, 45:18,
86:12, 183:19,
193:24, 205:5
noticing 192:10,
203:21
noting 74:10
notion 89:17, 99:2,
127:10, 133:8,
138:18, 141:21,
170:5
Novak 115:14
novel 45:9, 142:21,
150:9
November 74:11
nowhere 149:16
nullity 223:5

numbers 174:11
numerous 8:20, 59:5,
195:25, 206:7
NYS 131:9

< O >
o'clock 25:11, 92:1,
129:22
O'melveny 21:7,
137:21, 150:23,
202:11
object 87:2, 87:7,
87:10, 156:19,
179:9, 182:21,
188:23, 232:24,
232:25
objected 36:22,
86:8, 117:7,
186:23, 186:24,
187:1, 213:23
objecting 37:1,
121:25, 168:8
objections 11:10,
11:16, 19:6, 20:5,
20:6, 20:7, 54:6,
73:20, 78:23,
87:18, 155:12,
172:14, 172:18,
186:25, 232:14,
234:19, 234:23,
234:24, 238:6
objectors 47:8,
73:21, 74:5, 94:3
obligating 160:6
Obligation 3:29,
80:17, 90:6,
121:22, 123:24,
124:5, 134:3,
183:22, 191:7,
194:15, 196:4,
196:12
oblique 97:19
observed 6:22
observing 6:7
obtain 151:6,
161:12, 201:22,
220:16
obtained 107:13,
151:6

Obtaining 8:24,
205:19
obvious 15:16,
105:16, 121:24,
128:2
Obviously 11:23,
55:18, 95:15,
97:13, 98:15,
99:17, 99:24,
99:25, 100:22,
101:17, 109:6,
113:1, 113:16,
120:17, 145:16,
175:6, 201:19
occupy 12:21
occur 8:17, 78:2,
78:12, 104:1
occurred 67:3,
136:22, 184:10
occurring 67:5,
78:12, 87:3, 202:1
October 70:11
Off-track 162:5
offensive 149:7
offer 131:17, 176:9,
238:21
offered 5:5, 5:10,
128:1, 129:4,
147:1, 194:19
offering 60:9, 64:8,
95:6, 151:17,
196:8
offerings 135:17,
151:14
Office 18:22, 20:22,
20:24, 21:11,
21:25, 22:12,
23:7, 23:12,
23:16, 83:19,
192:23
officers 105:21,
109:11, 116:12,
116:13, 116:14,
133:10, 133:12,
134:1, 134:5,
145:10
offices 116:9
Official 3:13, 4:3,
72:19, 75:23,
88:1, 99:1,

158:17, 158:23,
194:14, 195:23,
240:14
often 10:17, 123:23,
149:4
Oil 161:10, 197:22,
198:23, 199:5,
199:25, 200:2,
200:4, 203:22,
207:12, 207:22,
207:23
old 35:3, 35:7,
115:20, 120:17,
135:9, 135:14,
217:10, 223:22,
223:25
ominous 47:2
omission 138:14
omits 212:14
omitted 138:10
Omni 7:16, 15:2,
17:9, 19:16, 26:5,
26:13, 26:16,
69:3, 69:7, 71:14
Once 19:1, 63:23,
83:14, 128:12
one-week 68:4, 68:5,
71:10
one. 146:7, 223:4
onerous 195:6
ones 34:2, 79:14,
124:8, 223:6,
224:1
ongoing 8:3, 8:25,
10:3, 12:5, 12:8,
14:22, 17:19,
22:5, 24:16,
172:10, 189:4,
202:5, 239:1
online 181:1
open 24:11, 26:23,
127:25
open-ended 89:19,
122:11, 122:21
opening 42:20,
42:23, 42:25,
43:5, 43:11,
43:13, 57:6, 93:3,
110:13, 176:13,
180:8

operate 183:10
operating 141:16,
162:3, 184:5
operational 141:15
Opinion 37:21,
106:14, 110:5,
130:1, 132:19,
188:11, 221:13
Oppenheimer 4:27,
115:18, 124:14
opponent 50:9
opponents 53:18,
61:20, 74:2, 76:12
Opportunities 2:28
opportunity 19:22,
28:12, 62:18,
63:12, 63:19,
76:20, 77:23,
87:10, 129:5,
137:5, 217:1,
238:3
oppose 18:16, 61:21,
188:23
opposed 33:24,
34:21, 35:23,
83:15, 88:7,
128:11, 176:19,
184:4, 223:17
opposes 160:18
opposing 73:21
opposite 108:19,
139:13
opposition 7:11,
7:12, 87:13,
102:4, 116:23,
232:4, 232:7,
233:9
oppositions 110:25
option 181:3, 182:8,
182:13, 193:1,
193:3
options 193:6
oral 57:11, 57:14,
210:23
orally 7:13
Ordered 109:3,
219:20, 220:2
orderly 43:10, 52:21
Orders 6:11, 193:23
ordinarily 194:7

ordinary 192:6, 193:9 organize 185:20 organized 99:25 orient 42:15 original 30:12, 37:20, 37:24, 38:3, 58:6, 75:16, 81:1, 135:15, 154:17, 210:19, 211:15, 212:14, 226:19 originally 177:18, 194:18 ostensibly 172:4 OTB 140:13, 151:1, 151:10 others 40:16, 45:24, 77:15, 109:17, 158:14, 164:14, 168:14, 182:8 Otherwise 6:23, 42:3, 66:10, 103:14, 123:19, 130:24, 133:22, 134:16, 134:25, 135:11, 138:15, 156:3, 157:1, 166:17, 199:10, 200:9, 203:6 ought 89:9, 89:17, 90:4, 90:8, 129:3, 130:7, 136:23, 176:14, 179:13, 190:10, 191:6, 221:3 ourselves 46:15, 90:1 outcome 73:2, 196:18 outline 95:22, 107:7, 107:8, 108:20, 152:8, 189:11 outlines 152:8 outset 38:18, 180:11 outside 6:13, 102:17, 160:17, 160:20 outweighs 162:22 overall 8:18, 9:4,	10:11, 136:5, 182:6 overbroad 36:8, 122:5 overcharge 208:8 overcharges 208:8 overcome 142:2, 146:12 overpayment 208:6 overridden 138:19, 184:22 override 170:4, 170:6 overrule 234:22 overruled 178:19, 238:7 overseen 201:8 oversimplification 81:22 overture 210:25 overwhelming 115:19 owed 135:9 own 11:5, 25:11, 28:3, 31:9, 32:10, 32:15, 33:3, 38:23, 42:15, 42:25, 43:17, 45:20, 46:12, 86:5, 108:23, 115:15, 122:6, 141:20, 160:6, 182:15, 185:23, 196:22, 210:8, 229:2 owns 121:21, 137:2 < P > P. 3:27 P3 9:6, 9:11, 9:16, 9:17 packaged 137:6 packages 223:18 PAGE 5:3, 5:8, 165:8, 169:18, 181:2, 219:18, 226:24, 228:12, 230:3, 230:21 pages 77:14, 115:10, 128:18, 165:22,	240:4 pagination 219:17 Pagnini 161:21 paid 123:23, 123:25, 135:3, 156:22, 173:7, 197:22 pain 200:20, 201:6 paper 192:22, 193:11, 193:13, 193:16 papers 26:4, 31:4, 43:11, 43:21, 46:3, 83:2, 83:19, 116:1, 116:21, 119:12, 123:5, 124:14, 126:15, 129:22, 138:1, 141:6, 166:24, 183:4, 183:6, 183:7, 189:7, 199:7, 216:6, 217:17 paperwork 223:10 par 182:20, 184:16, 186:22 paragraphs 57:5, 179:1 parallel 67:11, 67:12 parameters 126:6 parcel 139:1 parens 139:16, 139:20 pari 147:8 parte 91:7 partial 55:22 partially 11:15 participants 6:8, 34:24 participate 9:12, 33:18, 36:5, 42:12, 45:20, 48:6, 48:18, 48:20, 52:15, 53:3, 53:4, 62:18, 192:15, 192:22, 200:22 participating 52:12 Participation 45:1, 45:18, 46:4,
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

63:16, 86:13,
180:21, 193:7,
193:23, 197:7
particular 6:16,
23:10, 23:11,
61:7, 82:3, 91:11,
91:16, 107:21,
108:21, 119:2,
122:25, 155:3,
166:12, 175:9,
181:15, 184:4,
194:10, 195:15,
196:12, 208:7,
233:3, 238:5
Particularly 82:4,
133:15, 142:1
partner 166:16
parts 105:5, 138:8
party 16:4, 30:7,
30:21, 31:1,
34:18, 37:15,
37:17, 37:18,
37:25, 44:5,
44:13, 48:3,
88:17, 91:15,
94:18, 104:2,
104:3, 123:9,
123:19, 124:7,
159:19, 160:25,
185:5, 186:16,
194:2, 203:16,
204:1, 229:12
passed 201:24
passes 32:13, 201:21
passing 21:8, 28:2,
137:25
passionate 68:12
past 20:11, 53:21,
141:22, 158:13
path 21:22, 28:6,
28:7, 28:8, 38:22,
47:1, 60:9,
184:10, 209:21
patriae 139:16,
139:20
Paul 13:18
pay 56:7, 58:2,
82:22, 89:25,
134:4, 134:12,
135:9, 148:23,

165:7
paying 73:5
payment 85:17,
173:10, 173:23,
174:14, 175:4,
178:9, 178:17
payments 72:16,
72:24, 73:9,
73:24, 75:2, 75:5,
75:14, 75:19,
75:25, 76:1, 76:2,
78:10, 85:19,
90:25, 196:25
pen 149:24
pendency 177:7
pending 11:16, 13:3,
68:2, 172:22,
176:18, 177:3,
178:5, 202:18,
236:8
pennies 148:20
pension 10:13
per 21:23, 182:5
perceived 151:12
percent 74:22,
156:9, 156:10,
158:4, 231:25
percentage 156:25
PEREZ 3:21, 202:10,
202:12, 202:13,
203:24, 204:14,
205:3, 207:8,
207:9
perfect 30:1, 64:13
perfected 221:17
perfection 211:17,
211:19, 215:17
perfectly 16:1, 16:7
performed 129:25
perhaps 45:10,
79:19, 92:12,
110:19
period 17:3, 19:13,
56:9, 56:16,
67:25, 71:11,
72:25, 75:3, 76:1,
76:3, 82:4, 82:5,
89:10, 91:11,
100:18, 101:13,
112:17, 236:1

periodic 73:9
permission 92:11,
153:24, 166:14,
193:21, 194:8,
194:11, 197:6
permit 86:24, 162:7,
181:9, 194:3,
220:6, 224:5,
235:7
permits 101:6,
235:10
permitted 6:20,
86:2, 140:22,
181:16, 222:3
person 6:13, 6:20,
24:1
personal 115:15,
149:11, 182:15
personally 114:18,
129:5
personnel 8:22
perspective 22:2,
67:7, 74:17,
87:19, 88:6
persuaded 91:4,
91:13, 195:21
Pertinent 168:16,
168:18, 169:4
peruse 74:25
Peter 3:19, 4:32,
137:20
petition 12:25,
81:21, 203:3,
209:18, 209:23,
212:22
phase 45:7, 46:2,
187:11, 187:21,
189:7, 199:3,
202:4, 207:20
phases 95:15
phasing 199:14
phone 129:9, 186:2
PHV 3:4, 3:5, 3:6,
3:14, 3:15, 3:19,
3:20, 3:21, 3:26,
3:27, 3:30, 3:33,
3:34, 3:38, 3:44,
4:7, 4:10, 4:13,
4:18, 4:20, 4:24,
4:25, 4:28, 4:30

physically 6:22
pick 81:18, 101:9,
186:18
picked 138:16,
189:18, 191:13
picking 100:24,
183:24
picture 39:17,
109:22
pie 94:7, 94:8,
94:12, 94:13,
94:16, 115:6
piece 92:22
piggy 141:8
piggyback 125:13
pilot 40:22
pitch 129:10
pitched 36:6
place 19:2, 34:14,
45:5, 74:9, 74:20,
102:7, 125:25,
149:12, 198:16,
204:18, 206:7,
207:2
plain 46:8, 48:5
Plaintiff 2:24,
37:20, 37:24,
77:5, 79:4, 99:18,
114:12, 114:14,
116:19, 152:20,
197:12, 228:3,
228:17
Plaintiffs 4:15,
96:22
plane 40:21, 40:23,
40:25, 223:10
plans 8:4, 8:9,
8:25, 12:10,
12:20, 160:8,
229:21
play 28:20, 34:17,
234:7
playing 180:21
plead 130:14, 133:6
pleading 31:5,
46:22, 46:24,
101:14
pleadings 172:4,
182:2, 222:14
Please 27:1, 33:12,

46:18, 65:19,
71:18, 115:17,
165:10, 209:1,
225:12
pleased 7:5, 10:3,
10:4
pled 131:10, 131:12
pledge 190:12,
190:13, 191:1,
191:8
plenty 185:22,
199:5, 219:14
plus 27:13, 146:11
PM 92:4, 153:22,
153:23, 239:5
pocket 94:14
pocketing 152:15
podium 68:25, 83:17,
85:1, 92:23,
121:12, 152:25
point. 10:5, 16:6,
51:21, 68:18,
69:20, 88:9,
109:7, 118:18,
171:11, 189:21,
215:14
pointed 52:21, 74:3,
176:12, 214:10
points 47:15, 54:8,
61:5, 62:6, 81:13,
82:17, 87:16,
113:23, 140:2,
141:24, 145:13,
146:2, 157:10,
176:23, 180:20,
190:6, 202:16,
207:11, 232:7
policies 6:11,
181:8, 192:7
policy 110:2, 110:4,
133:23, 159:21
political 66:19,
163:7, 163:20
pondering 234:5
poor 40:11
Portfolio 37:9
portion 136:24,
179:17, 228:19
portray 141:7
portrayed 39:4

position 21:13,
41:25, 62:12,
91:15, 100:23,
124:16, 139:15,
140:8, 147:4,
147:14, 154:14,
167:10, 169:25,
186:15
positions 108:19
positive 10:16,
11:1, 132:16,
146:7
possibility 13:8,
113:17, 115:14
possible 10:12,
60:17, 97:25,
100:13, 115:15,
220:7
possibly 67:18,
80:12, 154:13
post 184:23
pot 150:11, 152:18
potentially 38:3,
48:23, 77:19,
142:20, 160:5,
160:7, 164:5,
185:21
Power 2:13, 91:13,
103:16, 139:16,
160:11, 160:16,
236:14
powers 43:7, 139:23,
140:21, 141:2,
162:2, 237:16
ppoint 190:10
practicable 230:9
practical 125:15,
136:7, 182:8,
182:10, 182:13,
182:19, 195:11,
237:4
practically 96:20,
105:9, 105:12,
150:10, 150:16,
196:17, 222:19
practice 96:9,
213:17, 234:20
practices 192:7,
192:15, 193:9
PRASA 8:5, 8:9

pre 55:3
pre-2008 212:1
pre-2012 31:2,
205:23
pre-petition 148:19
pre-promesa 85:19,
85:23, 184:20
precedent 79:2,
79:6, 115:24,
144:17, 145:7,
150:24
precedential 233:2
precedents 149:8
precedes 222:21
precious 15:14
precisely 57:17,
63:8, 66:24,
76:14, 107:10,
150:14, 196:6
precision 76:14
preclude 91:8
precluded 76:16,
76:23, 102:10
precluding 200:20
precondition 38:4
predicate 48:19,
51:3, 59:3, 59:5,
127:17, 209:17,
213:8
predicates 48:7
predicating 212:23
predict 77:21
predictions 47:2
preempt 24:14
prefer 222:24
preference 69:2,
88:20
preferences 75:2
preferred 151:14,
186:1, 231:7
prejudged 176:14
prejudice 38:17,
62:7, 91:14,
201:21, 202:1,
202:3, 206:19,
214:10, 214:19,
217:11
prejudiced 35:15,
206:10
prejudicial 62:5

preliminary 93:13,
122:7, 154:23
premature 30:2,
30:19, 37:2,
61:16, 187:21
premise 30:13,
30:18, 30:24,
37:4, 111:8
premised 167:13,
178:8
premises 27:13,
27:20, 52:5, 59:7
PREPA'S 204:8, 206:1
prepare 205:5
prepared 99:13,
153:5, 156:5,
184:7, 209:24,
210:24, 224:5
preparing 238:23
prescribed 90:19,
90:23, 163:4
present 30:20, 41:1,
51:6, 55:16,
123:14, 232:21,
236:21
presentation 7:14,
110:21, 113:25,
144:4
presentations 191:20
presented 36:3,
69:17, 86:22,
168:11, 237:11
presenting 236:7
presently 70:20,
91:6
presentment 178:21
presents 66:3,
161:14, 209:7
preserve 77:2,
78:14, 80:17
preserved 103:14,
162:12, 231:22
preserves 238:3
preserving 78:8,
78:21, 88:14
preside 70:15
President 13:8
press 6:6, 6:21,
29:1
pressing 182:23

presumably 134:20
presumptive 17:9,
17:24
Pretrial 205:6
pretty 37:22, 51:25
prevail 32:8,
130:13, 216:22,
216:25
prevails 31:13,
50:19, 51:10
prevent 68:5, 140:9,
201:5, 214:1
prevented 84:19,
102:6
prevents 218:11
previous 12:8,
233:11
previously 52:21,
205:8
price 194:18
prices 135:3, 196:8
primarily 27:22,
73:15
Prime 86:11, 86:18,
183:4, 183:5,
192:10
principal 72:15,
72:24, 73:9,
73:23, 77:19,
78:9, 88:3, 89:8,
89:14, 190:15
principals 11:4
principle 49:17,
145:2, 148:13,
186:11, 218:11
principles 93:2,
158:12, 237:18
print 226:8
printed 165:23
Printing 166:7
prior 14:3, 69:17,
70:9, 170:3,
170:4, 210:3,
213:18, 223:5,
236:5
priorities 81:5,
81:6, 81:19
prioritization 81:11
prioritize 74:17,
88:25

prioritized 83:14
prioritizing 163:25
priority 82:1,
215:24, 219:24
private 139:11
privatization 9:23
privilege 22:21
privy 143:17
Pro 4:32, 180:23,
181:3, 181:10,
181:12, 181:16,
181:22, 181:23,
181:24, 181:25,
182:4, 182:5,
183:3, 183:7,
183:10, 183:19,
185:21, 185:22,
192:7, 192:11,
192:21, 193:2,
193:22, 194:2,
194:11, 208:8
probably 21:23,
34:18, 35:18,
54:12, 58:14,
58:18, 74:21,
135:18, 183:18,
187:10, 200:5,
214:25, 220:3,
223:16
problem 48:21,
57:21, 67:6, 73:4,
83:18, 132:7,
175:13, 193:20,
224:3
problems 49:6, 67:1,
83:16
procedural 49:21,
61:24, 91:12,
118:13, 166:1,
225:1
procedurally 48:21
Procedure 25:22,
30:1, 44:10, 46:1,
63:24, 64:7,
89:11, 89:12,
198:12, 224:18
Procedures 9:8,
20:20, 20:23,
21:9, 21:19, 23:1,
23:2, 23:3, 25:7,

25:14, 26:5,
26:11, 26:13,
26:19, 44:20,
47:17, 52:13,
52:14, 52:23,
63:16, 63:17,
86:17, 89:6,
153:8, 181:14,
187:9, 189:11
proceed 45:4, 67:11,
93:11, 94:24,
95:14, 97:19,
223:9
proceeding 6:25,
9:3, 10:9, 10:25,
30:4, 36:2, 36:19,
38:7, 40:13,
47:21, 48:23,
51:23, 52:7,
52:20, 91:17,
124:19, 179:5,
211:14, 215:16,
218:23, 219:8,
222:4, 231:17,
231:19, 231:21,
232:13, 232:18
proceeds 124:3,
135:8, 161:21,
162:22
processes 201:14
processing 68:2
produced 4:48,
207:15
product 27:23, 36:7
production 41:24,
73:12
productive 15:11,
17:11, 24:19,
24:20
professional 16:24,
88:18
professionals 158:5,
158:14, 195:17,
196:3
proffer 162:16,
164:4
proffered 117:7,
120:1, 236:19
progress 11:8,
12:10, 47:4,

66:11, 68:8,
69:21, 70:6,
185:17
prohibit 180:23
prohibited 14:6,
216:4
projections 199:8
PROMESA 1:8, 1:24,
2:5, 81:16, 82:8,
85:16, 88:11,
88:23, 127:6,
136:12, 137:11,
138:3, 139:1,
139:23, 140:1,
142:24, 159:11,
159:22, 160:24,
161:24, 163:3,
163:9, 163:10,
164:9, 164:13,
184:23, 197:7,
237:24
promise 24:19, 70:7
promising 10:4,
10:10, 10:20
promptly 71:18,
224:18
pronouncement 148:10
Proof 83:21, 127:14,
129:13, 130:3,
130:4, 137:13,
144:12, 144:13,
144:15, 145:14,
161:15, 170:7,
173:1, 173:5,
174:16, 175:4,
177:20, 178:7,
178:8, 178:18,
179:2
Proofs 118:22,
168:9, 177:19,
177:20, 177:21
proper 62:14, 62:17,
62:18, 118:5,
168:25, 197:1
properly 28:22,
31:16, 175:8
property 98:21,
111:25, 113:10,
113:11, 138:11,
138:12, 159:25,

160:1, 211:22, 212:1 prophylactically 78:15 proponents 9:12, 75:16 Proposal 9:13, 9:21, 23:11, 155:12, 211:8 proposals 9:9, 9:15, 9:17, 61:25 propose 154:21, 187:18, 187:19, 209:12, 224:18 Proposed 7:18, 23:3, 48:12, 48:13, 71:17, 153:19, 199:11, 211:13, 211:23, 212:13, 220:21, 232:4, 232:16, 234:9, 234:18, 238:9 proposes 48:14, 162:18 proposing 22:15, 64:3, 64:10, 200:23 prosecute 119:22, 159:3, 235:2, 236:6, 236:23 prosecuted 80:16, 145:23 prosecuting 41:19, 159:1 prosecution 24:8, 156:21, 237:1 prosecutorial 130:5, 131:16 Proskauer 65:15, 65:16, 69:14, 209:6 protect 43:8, 106:6, 192:16 protected 80:2, 141:17 Protection 210:12, 211:16 prove 83:22, 130:14, 130:24 proven 73:7	proverbial 154:4 provide 19:18, 23:13, 86:9, 109:1, 120:25, 134:21, 163:11, 164:6, 192:15, 193:14, 193:23, 231:2, 232:17, 237:8 provided 71:16, 87:9, 153:12, 170:12, 191:6, 234:10, 234:16, 235:17, 236:1, 237:5 provides 116:6, 151:25, 159:11, 194:23, 194:25, 229:1, 229:11, 230:14 providing 102:20, 102:21, 108:25, 192:22 provision 82:6, 82:9, 82:10, 82:24, 85:6, 101:3, 102:1, 103:25, 113:16, 149:5, 160:13, 161:6, 169:11, 215:23, 227:19, 229:23 provisions 71:16, 80:1, 106:10, 230:4, 235:5 prudence 57:22 prudent 19:15 Prudential 39:2 Public 4:22, 6:6, 8:21, 11:14, 11:21, 18:10, 65:23, 76:4, 83:6, 141:14, 153:14, 154:12, 155:4, 159:21 publicly 97:12, 97:15 pudding 170:7 punch 54:6 puppet 141:7, 151:12	purchase 132:5, 132:8, 132:11, 132:16, 132:22, 173:14, 174:2 purchased 194:17, 196:6, 196:7 purely 118:13, 231:5 purport 120:19, 173:24, 178:13 purported 119:10, 138:19 purportedly 120:16 purports 123:20, 170:3 purpose 28:24, 38:5, 109:3, 141:10, 159:1, 201:10, 215:16, 215:23 purposes 32:22, 99:2, 160:10, 198:20, 213:3 Pursuant 9:15, 94:13, 122:9, 140:15, 159:10, 160:22, 173:8, 173:9, 173:11, 173:16, 173:17, 173:18, 175:22, 211:14, 229:17, 235:20 pursued 78:3, 105:21, 107:3, 129:4, 134:18, 149:4, 150:17 pursuing 89:2, 98:19, 103:2, 106:21, 107:6, 114:2, 130:8, 145:15, 145:25 pursuit 99:4, 101:7, 122:2, 163:16 push 24:18, 27:5, 44:23 put 31:18, 33:12, 34:17, 43:21, 44:5, 45:6, 48:12, 56:24, 67:16, 67:17, 89:21, 99:11, 103:13, 109:4, 117:20,
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

<p>125:24, 126:5, 140:1, 167:25, 168:4, 199:21, 209:2, 210:14, 215:13, 230:1, 233:20, 234:2 puts 218:16 Putting 77:13, 110:14, 179:5</p> <p>< Q > QTCB 4:12, 51:17 qualifications 129:16 qualified 133:13, 134:1, 134:10 qualifies 131:22 quarter 9:24 quasi 114:19 questions 13:11, 13:13, 17:6, 17:18, 23:10, 33:19, 34:19, 36:3, 36:14, 38:11, 38:14, 39:6, 49:2, 53:11, 59:25, 62:2, 63:5, 63:10, 63:13, 66:11, 70:23, 71:3, 90:10, 115:7, 121:11, 151:20, 152:22, 176:21, 207:6 queue 76:13, 115:14 queued 63:17 quick 207:10 quickly 143:10, 186:10, 211:17, 213:9, 214:7 quietly 90:14 Quinn 42:13 quite 39:7, 68:14, 73:7, 74:2, 130:17, 152:24, 191:14, 201:9 quote 43:1, 85:8, 85:9, 122:10, 148:1, 168:18, 168:19, 168:20,</p>	<p>169:2, 169:5, 169:6, 169:9, 169:10, 169:17, 169:21, 169:23, 214:2, 214:3 quoting 131:11</p> <p>< R > R. 3:34 rabbit 47:3 racketeering 200:25 radical 142:6 Raiford 4:7, 125:9, 125:11, 125:12, 126:21 raise 49:22, 52:9, 55:6, 57:13, 62:1, 77:4, 107:5, 168:25, 173:25, 231:18, 231:21, 232:14 raised 17:5, 49:10, 55:6, 57:2, 59:4, 64:5, 76:12, 91:5, 105:24, 117:10, 143:9, 171:16, 174:6, 206:3, 233:10 raises 95:5 raising 46:25, 49:7, 50:6, 76:17, 176:23, 231:15 ramifications 113:20 Ramon 233:6 ran 17:3, 73:4 range 128:7, 163:22, 193:8 rata 208:8 rate 66:17, 156:22 Rather 15:13, 21:16, 23:1, 43:3, 44:19, 60:8, 89:21, 128:15, 163:5, 212:23 rationale 196:15 Re 1:6, 1:22, 2:3, 2:23, 27:16, 147:24, 161:9, 161:10, 161:21,</p>	<p>162:4, 186:13, 195:7, 195:13, 195:18, 206:12, 237:19 reach 122:18, 237:9 react 209:13 reacting 23:12 read 19:9, 33:23, 46:6, 46:13, 97:18, 97:21, 107:16, 108:3, 111:14, 112:1, 135:7, 136:20, 145:12, 175:25, 223:1, 223:17, 230:19, 230:23 reading 31:16, 46:14 ready 53:24, 144:3, 157:11, 164:22, 202:20, 202:22 real 31:20, 113:1, 113:3, 113:14, 137:1, 146:16, 152:5, 218:21, 218:25 reality 93:17, 110:12, 111:23, 135:20, 195:15 realize 68:15, 101:25, 136:5, 156:20 realized 137:1 realizing 156:21 Realty 131:9 reason 28:9, 50:4, 67:9, 67:18, 77:18, 84:9, 90:3, 112:19, 117:16, 123:4, 164:15, 168:8, 176:15, 176:17, 180:23, 218:22, 236:8 reasonable 88:2, 180:7 reasonably 134:22, 230:9 reasons 23:2, 31:8, 50:17, 52:3, 64:7, 67:12, 82:14, 99:7, 122:15,</p>
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

124:8, 128:2,
132:14, 159:7,
214:14, 228:14,
233:10, 233:11,
234:6, 234:22,
238:6
rebut 57:25
recalculate 32:1
recalculated 27:19
recalculating 32:12,
33:3
Recall 15:1, 31:7,
49:9, 111:20,
127:25, 142:16
recalls 81:1
receipt 88:3
receive 85:17,
173:18
received 7:7, 53:2,
73:8, 85:19,
132:2, 145:20,
173:10, 173:19,
208:7, 225:25
Receiver 7:9, 18:6,
66:3, 66:4, 66:13,
66:15, 67:10,
67:21, 69:19
receivership 68:1,
114:25
receives 192:12
receptive 61:9
recess 92:3, 153:22
recipient 75:12,
183:7
recipients 73:23,
78:9
recognition 79:2,
168:21
recognize 28:22,
93:1, 209:22
recognized 131:23,
148:2
recommendations
16:20
recommending 16:18
reconciliation 21:16
reconvened 12:7
reconvened. 92:4,
153:23
record. 208:17

recorded 4:48
recording 6:19
records 74:25
recoup 86:1
recourse 149:10
recover 111:21,
112:3, 161:21,
162:22, 200:14
recovered 114:16,
124:4
recoveries 75:18,
75:21, 77:19,
78:22, 94:9,
106:17, 184:6,
206:10
recovering 110:22
recovery 10:16,
75:8, 90:24,
114:20, 136:4,
152:11, 161:15,
163:5, 178:1,
182:18
red 55:22, 75:25,
150:5
redacted 154:19,
155:19
redactions 154:13,
155:7
redline 165:14,
165:15
redlined 165:8
reduce 199:14,
199:19
reduction 158:4
refer 6:17, 72:15,
75:1, 90:21,
101:8, 122:21,
158:24
reference 14:22,
81:2, 112:1,
112:18, 144:14,
146:5, 146:9,
146:21, 169:8
referenced 47:16,
70:3, 233:19
references 14:15,
14:23, 44:2,
97:20, 111:23
referred 12:1,
72:17, 113:17,

122:7, 128:21,
133:23, 172:8,
188:15, 189:7
referring 14:4,
16:1, 26:16,
112:20, 234:3
refers 112:15,
170:3, 188:21
reflected 237:20
reflecting 71:15,
181:15, 207:16
reflection 141:23
reforms 8:24, 29:19
refrained 97:15
refusal 105:14,
105:15, 105:16,
105:22, 105:23,
106:13, 125:21,
126:9, 130:3,
134:24, 161:18,
236:12, 237:2,
237:3
refused 125:20,
126:8, 137:14,
236:24
refuses 27:25, 28:1,
159:11, 235:12
refusing 97:8, 172:1
regard 40:15, 49:12,
88:21, 89:7,
100:2, 127:7,
127:15, 133:6,
193:4, 230:25
regarding 26:19,
39:15, 40:4, 40:5,
41:6, 91:15,
102:11, 113:25,
118:11, 123:16,
155:13, 158:2,
205:16, 206:3,
209:9, 211:20,
219:24, 229:21
regardless 185:15,
204:23
Region 3:11
register 119:1,
192:7, 193:22,
193:24, 194:4,
197:6
registered 76:5

regrettably 54:12, 61:25	104:16, 132:12, 151:16	repeat 127:5, 190:8
regular 30:4	relying 37:3, 144:4, 150:14	repeated 81:4, 168:12, 189:19
regularly 49:25, 192:21	remade 27:24	replace 229:2
reinstate 198:11	remain 150:25, 176:6, 211:20, 211:25, 228:23	replaced 227:14, 230:12
reiterate 124:15	remainder 178:19	Replies 150:9
rejected 38:1, 58:3, 151:23, 186:21, 198:3, 207:24	remaining 134:13, 179:17, 234:22, 238:6, 238:14	report 7:20, 7:24, 10:3, 10:4, 10:6, 10:18, 12:1, 12:6, 13:12, 16:13, 16:18, 17:4, 74:15, 121:8, 136:21, 151:15, 155:11, 155:18, 225:12
rel. 139:14	remains 151:3	Reporter 208:16, 238:24, 240:14
relate 47:24, 222:14	remake 59:8	reports 15:22
related 48:9, 49:10, 90:25, 158:20, 159:3, 192:1	remaking 33:2	repository 6:14, 203:16
relates 47:18, 81:14, 113:12	remand 216:18	represent 40:1, 120:20, 143:11, 143:12, 186:24, 187:4, 196:16, 197:21
relating 24:8, 37:14, 177:16, 196:19, 222:22	remanded 210:1, 217:22, 221:7	representation 35:18, 64:16, 119:8, 183:23, 188:25, 189:3, 189:15, 189:21, 195:2, 195:5, 233:7
relationship 133:4	remarkable 93:23	representations 184:20
relatively 191:18	remarkably 139:12	representative 1:13, 1:29, 2:10, 65:13, 84:15
release 110:11, 154:11	remarks 15:1, 15:25, 16:1, 16:7, 17:17, 39:15, 93:3, 176:13, 180:8	representatives 219:22, 237:13
released 154:6	remedied 44:7	represented 95:3, 95:9, 143:15, 188:16, 192:18, 203:22, 232:8
relevant 43:9, 69:20, 69:21, 82:9, 112:8, 112:15, 113:24, 162:17, 164:1, 224:2	remedies 229:13	representing 100:22, 124:25, 184:13, 187:15, 188:18, 194:9
relied 57:8, 103:23	remedy 45:8, 59:1, 59:9, 59:23, 66:5, 119:20	represents 184:12, 236:17
Relief 42:22, 43:1, 45:22, 48:11, 50:5, 60:3, 73:22, 76:15, 89:9, 102:5, 102:6, 122:5, 127:8, 127:11, 157:5, 158:20, 160:16, 161:14, 191:25, 192:3, 192:5, 193:19, 193:21, 197:12, 198:18, 198:19, 219:23, 237:6, 237:9	remember 93:19, 96:4, 103:3, 105:25, 120:21, 128:21, 166:11, 227:24, 231:13	
relitigation 197:2	remind 6:10, 136:11, 203:2	
reluctant 40:9, 186:13, 190:10	reminded 207:11	
rely 39:14, 61:16,	reminding 136:12	
	remiss 233:17	
	remitted 212:2	
	remote 58:22	
	remotely 202:21, 205:8	
	removed 230:12	
	reorganization 78:1, 78:4, 136:10, 136:18	
	repay 108:15, 151:4, 151:5	
	repayment 173:2	

reps 132:12
requested 18:17,
60:4, 73:22,
76:15, 85:6,
102:7, 122:5,
127:8, 127:11,
190:10
requesting 13:6,
89:9, 192:9
requests 7:2, 79:25,
90:22, 191:25,
192:3, 192:4,
192:13, 194:15,
204:13
require 11:24,
19:17, 39:3,
61:20, 61:22,
74:3, 79:21,
89:25, 125:18,
161:13, 163:6,
196:15, 209:17
required 9:20,
120:14, 120:25,
124:22, 195:6,
198:12, 203:4
requirement 39:2
requirements 9:8,
194:6, 229:25
requires 33:4,
86:23, 168:15,
169:3, 181:25,
182:3, 213:12
requiring 38:1,
126:1
requisite 74:8
res 218:10
Rescap 206:12,
206:13
rescission 170:24
resent 151:11
reservation 102:11,
104:14, 140:3,
174:21, 233:18
reserve 24:13,
26:24, 26:25,
39:9, 65:11,
142:25, 180:2,
208:14, 208:25
reserved 55:23
reserving 72:7,

146:10
reside 201:12
residents 139:17,
197:21, 208:5
resign 227:13, 231:2
resisting 34:9
Resolution 29:20,
171:20, 177:3,
213:13, 213:25
resolve 16:8, 62:1,
77:24, 89:25,
90:1, 123:11
resolved 11:11,
51:4, 106:10,
175:8, 211:17,
216:17
resolves 229:18
resources 78:14,
78:21, 80:15,
99:4, 113:25,
114:1, 122:4,
124:1, 124:4,
133:15, 142:20,
160:6, 205:4,
207:3
Respectfully 43:19,
43:21, 64:6,
85:21, 176:15
respond 62:19,
65:16, 167:11,
168:2, 172:23,
179:8
responded 49:3
respondents 124:9
responding 172:4,
219:2
Response 9:9, 19:14,
51:24, 52:9,
81:13, 100:10,
139:3, 165:25,
166:12, 166:25,
172:5, 177:14,
178:15, 179:10,
211:15, 219:6
response. 233:24
responsibility
68:13, 77:5,
163:12, 163:25,
164:2, 164:12,
236:23, 237:1

responsible 48:3
responsive 111:5,
129:22, 175:13
rest 88:1, 115:9,
124:15, 141:11,
205:24, 207:7,
228:18
restrictions 149:25,
152:13, 181:10
restructuring 10:12,
162:24, 163:1,
163:5, 207:4
rests 202:6
result 25:12, 96:25,
132:16, 132:17,
189:12, 198:6,
213:13
resume 92:1
retain 96:5, 156:4,
193:1, 195:17
retained 74:11,
96:8, 135:24,
136:13, 147:3,
156:17
reticent 199:8
Retired 4:4, 228:24
Retiree 25:11,
125:10, 125:14,
126:3
Retirees 10:8,
25:19, 82:20,
82:21
Retirement 1:31,
2:19, 12:3
retransmission 6:19
retribution 94:5
retroactive 148:14
retroactively 27:18,
33:3, 59:8
return 89:1, 112:9
returns 47:9,
163:17, 174:12
revelation 87:8
revenues 191:9
reverse 217:12
reversed 221:6
revert 8:14, 111:15
review 9:12
reviewed 7:7, 17:16,
75:24, 132:8,

180:16
reviewing 17:2, 26:4
Revised 24:7, 181:2,
230:19, 232:4,
234:7, 234:24,
235:17, 236:15,
237:21, 238:2,
238:9
revision 230:23,
234:16
revisions 165:12
revocation 227:15
revoke 227:13
Revolution 37:9
RFP 9:13, 9:15, 9:19
Rican 133:13
rid 66:18, 176:4
ride 204:12
rightly 74:3, 130:17
rights 40:16, 48:25,
52:11, 55:18,
102:11, 104:14,
140:3, 142:25,
146:10, 150:20,
150:21, 163:22,
174:21, 177:24,
178:9, 178:10,
178:17, 184:22,
198:15, 233:19,
236:8
ripe 37:1, 46:25,
50:23, 51:9, 52:2,
56:12, 56:15,
56:19, 56:20,
58:12
ripeness 29:23,
50:24, 56:11,
57:20, 57:22,
57:24, 64:4
rise 124:22
rising 80:24
risk 113:17, 115:2,
152:19, 236:7
risks 161:20, 162:23
Rivera 233:6, 233:7
road 45:10, 47:3,
47:5, 48:25,
49:25, 62:22,
65:1, 88:4
Robert 4:25, 65:22

robustly 15:9
rock 125:25
role 11:10, 78:8,
183:20, 229:4
rolling 73:13
room 29:11, 63:13
root 139:6, 141:21
Rose 69:14, 209:6
round 116:14
rounds 198:1
roundtripping 75:11
route 237:9
RSA 67:24, 68:2,
70:11, 71:2,
206:22
rubric 184:24
Ruby 7:4
ruled 20:6, 104:7,
209:19
Rules 29:7, 29:25,
44:10, 56:24,
60:22, 120:22,
176:19, 181:1,
181:15, 183:2,
192:14, 217:6,
224:12
ruling 34:6, 194:10,
203:3, 222:13
rulings 184:7, 184:9
run 75:11, 93:9,
124:20
running 56:16,
73:13, 82:1, 88:25
runs 89:10, 157:9

< S >
S. 3:5, 3:26
S/ 240:12
Sabine 161:10
Safe 166:20, 239:4
safety 229:23
sake 199:22
sale 173:14, 174:2
salvo 28:11
sampling 76:9
San 6:1, 6:6, 238:19
sanctions 6:25
satisfied 229:25,
236:13

satisfy 137:12
save 72:10, 167:22,
167:23, 197:17
saving 82:22
savings 156:23
saw 169:15, 184:2,
220:18
scale 205:10
scenario 15:11,
15:12
schedule 67:18,
115:15, 210:12,
214:12, 214:15
scheduled 19:11,
20:9, 238:18
schedules 227:6
scoop 135:7, 135:12,
149:15
scope 109:16,
159:21, 160:17,
186:19, 237:14
scrutinize 190:20
scrutinizing 190:19
Se 4:32, 180:23,
181:3, 181:12,
181:16, 181:22,
183:3, 183:7,
183:10, 183:19,
185:21, 192:7,
192:11, 192:21,
193:22, 194:2,
194:11
se. 182:4, 185:22
seal 154:6
sealed 97:18, 97:20,
97:21, 153:2,
153:3, 153:6,
153:12, 154:11,
155:13, 162:15
seat 60:10
Second 9:24, 11:25,
24:25, 25:4,
31:24, 43:5,
43:14, 47:20,
49:19, 81:21,
97:5, 97:8, 98:13,
117:15, 118:24,
123:4, 153:25,
155:5, 160:4,
166:23, 172:6,

179:1, 192:8, 207:15, 208:5, 209:9, 214:25, 235:9, 236:21 secondary 48:8 Secondly 27:25, 64:14 seconds 185:4 secret 29:10 Sections 117:20, 138:11, 235:6, 235:20 secured 186:14, 187:5, 187:24, 190:11, 191:7 securities 96:22, 170:25, 173:15, 174:2 security 173:24, 211:21, 211:24 seeing 96:4 seek 25:24, 32:9, 43:1, 52:17, 72:15, 80:12, 98:14, 103:10, 134:22, 156:9, 180:20, 198:22, 199:1, 200:6, 201:11, 204:4, 212:9, 212:18, 213:12, 222:16, 224:4 seeking 7:9, 44:13, 58:20, 70:10, 70:18, 76:14, 98:19, 114:14, 122:21, 145:25, 146:1, 169:25, 171:4, 186:14, 188:7, 190:23, 195:3, 198:16, 199:24, 200:14, 200:18, 204:24, 204:25, 213:12, 214:4, 214:13, 214:16, 219:23 seeks 28:5, 143:1, 177:18, 178:1, 193:21, 211:23 seem 19:11, 31:4,	61:6, 64:2, 171:7, 183:12, 212:10 seems 19:15, 29:2, 34:15, 65:2, 80:14, 88:10, 89:8, 101:4, 101:8, 156:8, 156:23, 157:4, 175:2, 209:14, 209:21 seen 144:6, 166:4 sees 218:2 Segara 142:17 segment 168:5 segments 97:7 segue 95:24 SEIU 95:10, 119:11, 119:13, 119:21, 144:14, 145:14 selection 9:12 selective 27:9, 27:12, 27:20, 28:9, 31:13, 31:14, 32:9, 32:24, 34:3, 47:20, 54:25, 55:1, 55:11, 56:6, 58:10, 58:12, 58:19, 59:6, 60:23, 65:7, 72:18, 83:14 selectively 29:12, 31:22, 54:17 selectivity 28:21, 31:10, 32:16 self-executing 103:19 sell 135:11 Senate 13:9, 208:1 send 87:22, 187:18, 187:19, 193:11, 207:18 senior 188:25 sense 18:20, 25:13, 25:21, 32:7, 78:17, 94:23, 99:15, 100:19, 114:11, 114:18, 131:2, 146:16, 153:17, 157:25,	199:18, 199:20 sensitive 195:15 sent 130:10, 164:24, 165:11, 165:15, 198:3 sentence 168:1, 168:13 sentences 137:22, 179:3 separate 47:18, 47:25, 48:23, 49:5, 60:5, 67:21, 67:22, 84:11, 84:14, 89:3, 128:14, 155:1, 189:14, 230:14 separately 81:2 separates 58:24 September 16:20 sequencing 51:1, 62:13 sequential 40:12, 224:24 sequentially 32:18 Seriatim 54:5, 143:8 series 31:23, 31:24, 72:16 serious 35:20, 39:22 seriously 68:14 serve 116:18, 116:19, 183:6, 183:20, 185:18 served 28:24, 180:12 serving 115:25 ses 181:10 set 27:2, 29:17, 85:3, 163:3, 178:9, 179:7, 192:6, 205:22, 210:3, 215:20, 238:13 setting 52:1, 123:15 settle 107:1, 123:9, 123:11 settlement 78:13, 81:8, 96:23, 100:5, 100:6, 136:9, 149:10, 151:7, 230:10 settlements 149:9,
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

206:23
seven 13:9, 19:18,
39:12, 96:23,
186:6, 219:17,
231:4
Seven. 138:3
several 84:13,
102:23, 158:13,
196:23, 201:1
severely 127:23
shall 92:23, 149:25,
194:24, 213:11,
219:22
sham 27:14, 27:23,
30:15, 30:17,
30:23, 30:25,
33:23, 33:25,
34:4, 34:7, 34:11,
34:14, 35:11,
46:6, 51:21,
53:20, 55:2, 59:7,
59:12, 59:13,
59:20, 62:2
Shannon 4:13, 51:16
shaping 12:13
share 196:10,
236:22, 237:1
shareholder 152:1
shareholders 152:1
shift 77:9
shifted 149:17
shipment 205:17,
207:22, 207:23,
208:2, 208:3,
208:7
shipments 205:14,
205:17
ships 137:25
shocking 150:19,
150:24
shoes 37:12, 139:10
short 66:20, 67:25,
68:18, 76:1,
91:19, 91:21,
103:23, 104:8,
122:1
short-term 66:16
shortage 65:5
shorter 92:21
shortly 207:5

shots 109:12
shouldn't 45:16,
77:3, 174:5,
174:8, 204:10,
213:23, 222:4,
224:6
show 31:19, 57:14,
125:19, 127:7,
137:12, 137:14,
141:23, 164:23,
226:1
showing 47:5, 65:5,
109:5, 124:22,
124:23, 130:3
shown 235:13
shows 145:14
shy 20:15
sic 172:12, 203:13
side 25:20, 56:7,
100:21, 223:16
Sign 9:20, 33:12,
157:7, 182:2,
221:25
signal 19:3, 98:6
signals 6:18
signed 103:8,
144:20, 144:21,
150:23, 154:15,
215:19
significance 184:18
significant 12:9,
141:16, 200:5,
203:6
significantly 132:24
silencio 170:6
similar 9:22, 25:24,
50:2, 51:6,
186:21, 232:22,
232:24, 237:18
similarly 50:2,
148:2, 206:16
simple 103:22,
104:8, 109:12,
181:21
simplest 31:20,
31:22, 56:25
simply 80:7, 86:18,
111:9, 113:5,
139:3, 174:8,
182:18, 215:18,

218:24
simultaneously 136:8
single 36:10, 49:19,
56:25, 63:22,
79:4, 83:19,
83:22, 84:5,
139:9, 222:21
singled 28:10
sit 39:3, 90:14,
105:7
situated 112:24,
206:16
situation 10:13,
10:14, 15:14,
42:4, 52:15, 77:1,
80:14, 114:23,
182:15, 184:3,
188:14, 188:19,
225:6, 236:4,
236:22
situations 103:24,
124:3, 203:24
Six 29:17, 36:10,
38:22, 58:20,
85:24, 119:7,
133:7, 151:20,
164:21, 168:4,
170:9, 180:9,
181:2, 219:19,
229:11
six. 142:18
Sixteen 230:17
size 115:5
skipped 138:8
slash 101:15,
114:19, 234:2,
234:9
sleeping 127:11
slice 62:10, 184:4
slices 183:25
slight 18:14
slightly 139:23
slip 134:25
small 47:15, 88:7,
185:11, 185:25,
188:22, 191:17,
194:21, 232:7
Snapp 139:13
so-called 50:20,
88:17, 128:20,

129:25
so-to-speak 113:18
sole 94:7, 199:2,
203:16, 227:17,
228:3, 228:17
solely 168:16,
168:19, 169:4,
210:2, 219:23
solicitation 162:13
solution 175:13,
175:16, 176:3
Solutions 193:25,
194:4, 194:7,
194:12, 197:7
solve 83:18
solvent 108:8
solves 114:3
Somebody 18:21,
18:22, 28:25,
34:17, 58:15,
95:5, 137:7,
187:1, 214:25
somehow 30:11,
35:14, 40:1,
40:21, 45:11,
102:5, 108:13,
114:24, 127:10,
129:17, 137:13,
138:19, 152:15,
169:13, 170:6,
231:15
someone 18:18, 19:1,
23:4, 34:12,
40:10, 46:16,
46:24, 48:3, 58:2,
78:3, 100:24,
134:2, 139:10,
184:16, 184:17,
184:19, 220:24,
222:11
sometime 136:25
sometimes 44:15,
72:17, 103:21,
103:22, 135:9,
181:10
somewhat 11:1, 81:4
Son 139:13
Sonnax 198:17,
200:5, 200:13,
201:16, 202:14

soon 25:17, 236:7
sooner 15:13, 21:16,
69:4
sophisticated 15:9,
94:18, 196:2
sordid 66:19
Sorry 28:14, 59:17,
112:11, 125:8,
165:5, 166:1,
167:3, 167:4,
172:15, 172:18,
177:5, 193:19,
217:14, 218:3,
218:14
sort 19:23, 34:24,
47:15, 54:5,
76:13, 79:2, 79:3,
79:7, 112:21,
112:23, 114:1,
114:3, 114:18,
115:5, 121:2,
121:5, 125:3,
126:10, 139:13,
140:3, 209:13
sorts 106:10, 191:20
sought 80:6, 102:5,
160:16, 204:19,
214:2, 236:25
sounding 105:18
sounds 149:2, 220:9
source 6:13, 113:3,
139:21
sources 57:4, 57:16,
235:4
Southern 7:4,
193:12, 195:8,
206:13
speaker 71:22
speaking 46:16, 61:3
speaks 52:3, 111:17,
112:16, 143:22
specializing 106:15
species 114:11
specific 23:20,
29:6, 117:20,
122:8, 122:9,
122:22, 123:2,
128:4, 142:11,
155:12, 162:16,
168:11, 170:10,

171:9, 215:10,
222:4
Specifically 36:22,
37:6, 77:1, 81:14,
117:22, 123:6,
131:11, 181:2,
206:18, 225:3,
229:1, 231:14,
238:3
specification 182:3
specified 87:4
spect 210:6
spectator 33:13
speculate 13:10
speculative 43:23,
142:19
speed 143:10,
143:15, 166:17
spend 8:23, 113:6
spending 85:22,
190:21, 207:4
spent 190:22
split 215:6
splitting 218:20
spoke 126:6
spoken 80:4, 115:13,
125:14
spot 84:1
spread 208:8
spreadsheets 59:18
spring 45:13
springing 45:10
stack 83:19
STADLER 4:30, 16:15,
16:16, 17:11,
18:1, 18:3, 18:4
staff 238:21
staffing 229:21
stage 9:13, 97:25
staged 97:5
stages 11:1
staggering 75:5
stake 65:7, 126:18
stakeholders 66:6,
66:9
stamina 238:24
stand 30:16, 38:23,
54:18, 108:22,
116:10, 116:23,
129:15, 137:5,

139:10, 188:18,
233:7, 233:9
standard 17:9, 31:5,
82:11, 122:17,
122:20, 125:23,
161:6, 168:22,
195:5, 213:10,
214:18, 225:8
standards 17:25,
116:20
stands 213:2
start 27:3, 27:8,
33:4, 38:11,
42:21, 54:6,
61:24, 63:5,
66:24, 86:2, 92:5,
98:1, 126:18,
180:1, 187:3,
203:1, 224:25
started 56:23, 59:6,
83:11
starting 8:22,
42:23, 45:11,
62:24, 121:20,
143:8
State 25:1, 28:19,
53:19, 111:14,
112:4, 112:10,
131:8, 139:8,
140:15, 140:24,
167:10, 230:18
stated 83:1, 94:19,
124:9, 148:3,
148:14, 189:16,
228:14, 233:11,
233:13, 238:16
statement 157:15,
224:20, 232:21
statements 12:8,
119:6, 119:15,
144:3, 145:16,
210:4
States 1:1, 2:36,
13:1, 13:7, 13:9,
178:12, 240:7
stating 160:13,
234:6
statistical 115:21
status 7:20, 7:24,
7:25, 12:1, 13:12,

15:22, 19:23,
155:11, 155:18,
202:17, 202:23,
220:13, 225:12,
237:21, 237:24
Statutes 88:24,
88:25, 112:5,
235:19, 237:3
statutorily 163:3
Statutory 10:8,
11:9, 37:21, 85:6,
101:12, 113:20,
141:9, 160:24,
161:6, 161:24,
163:9, 169:11
stayed 68:1
Staying 69:2
stays 111:21, 116:8
stead 116:19
stenography 4:48
step 12:16, 40:3,
59:9, 112:23,
136:20, 139:17,
225:2
step-by-step 125:3
stepped 37:12
steps 70:1, 126:1
stick 224:11
stipulate 60:22,
209:25
stipulated 112:8
stipulates 60:25
STN 116:1, 139:8,
144:19, 144:21,
145:3, 145:4,
145:5, 161:9,
237:19
stood 81:9, 128:16
stop 56:15, 124:19,
209:11, 227:7,
229:13
stopped 101:21
stopper 127:7,
137:12, 137:14
stops 28:3
stored 205:24,
205:25
straight 158:4,
187:12
strategic 110:4

strategy 110:1
streams 74:17
street 44:16, 79:22,
80:5, 80:7
streets 79:24
strenuously 185:9
stress 72:13, 128:10
stretch 127:12
strictly 190:18,
232:6
strike 119:20,
178:3, 225:20
strong 26:4
structure 209:12
structuring 210:14
stuff 32:1, 33:2,
70:5, 150:12
stunned 214:24
style 44:16, 47:23
styled 29:23, 38:9
sub 170:6
sub-retained 158:14
subgroups 196:16
submission 17:13,
17:16, 108:4,
108:17
submissions 28:17,
33:23, 91:2,
97:21, 107:17,
159:6, 191:23
submit 9:9, 84:22,
85:11, 85:21,
86:1, 86:5, 86:17,
86:24, 122:14,
168:23, 170:22,
171:17, 183:3,
183:4, 190:17,
217:16, 238:8
submitted 9:16,
190:7
submitting 16:25
subordinate 171:1
subordinated 170:18,
173:15
subscribe 28:18
subsequent 32:22,
59:15, 179:17,
225:6
subsequently 173:20
substance 171:11,

218:24
substantial 64:15,
106:16, 106:17,
213:16, 218:25
substantially 223:24
substantive 131:12,
168:23, 168:25,
170:19, 171:11,
171:17, 174:6,
176:24
substituted 231:1
substitution 227:15
successful 162:12,
164:12
successfully 130:23,
130:24
succinct 168:3
sue 87:23, 89:21,
96:20, 99:9,
106:11, 109:10,
116:11, 128:5,
131:17, 134:8,
135:20, 136:1,
145:8, 162:18,
207:12
sued 30:5, 37:12,
37:13, 37:15,
40:22, 133:3,
134:19
sues 114:24
suffer 31:3, 41:3,
45:24, 80:9
suffered 141:19,
141:20
suffers 51:6
Suffice 127:6,
193:13
sufficiency 49:4
sufficient 35:23,
87:20, 104:8,
104:14, 119:12,
130:19, 146:12,
225:7, 226:8,
227:6, 237:23
suggest 74:6, 90:5,
125:17, 154:8,
165:24
suggested 63:3,
65:3, 183:15,
194:19, 195:20

suggesting 139:10,
178:25
suggestion 30:10,
169:24, 179:12,
190:9, 204:11
suggests 154:5,
199:7
sui 79:10
suing 86:3, 96:25,
110:10, 129:15,
129:19, 133:8,
135:1, 142:1,
143:12, 148:9
suit 129:17, 152:1,
154:5, 161:17
Sullivan 42:13
summarize 128:5
Summary 210:18,
211:13, 213:17,
213:24, 214:2,
214:5, 216:14,
216:17, 221:12,
223:2, 224:21
summer 54:11, 54:12,
54:14, 77:22
sums 190:22
Sunedison 195:7
Sunni 3:27, 166:17
super 59:14
superb 239:1
superceding 174:4
supervision 150:25
Supplement 172:6,
172:7, 219:6
supplemental 16:18,
223:15
supplementally
234:10
suppliers 205:15
supply 205:14
support 16:8, 43:1,
77:16, 83:10,
123:2, 127:13,
142:5, 159:22,
161:15, 169:11,
170:5, 185:5,
239:1
supported 12:15,
186:16
supporting 20:16

suppose 179:16
supposed 84:16,
84:17, 138:13,
157:6, 170:20,
215:20, 220:1,
222:5, 222:6,
224:11, 224:20
supposedly 168:9,
169:7, 171:15
Supreme 13:1, 13:4,
13:7, 131:8,
139:14, 151:22,
220:10
surcharge 197:23
surmount 237:23
surprise 39:6,
57:14, 215:14,
224:4
surround 127:22
surrounding 136:1
survive 63:1, 97:6
Susheel 3:38, 42:12
suspect 22:13
sustainable 9:5
Suzanne 3:20
Swain 2:35, 7:22,
34:10, 240:7
swath 28:24
sweeping 122:5
sweet 56:4
swing 57:24
sword 14:18
syllable 126:24
syndicate 135:11
System 1:31, 2:20,
9:24, 180:24,
181:3, 181:21,
183:2, 192:20
systematically 66:23

< T >
T. 3:30
table 10:19, 25:16,
26:2, 60:11, 99:11
tacit 57:19, 168:21
tackle 142:21
tactic 169:3
tactically 38:19
taken. 92:3, 153:22

talked 14:8, 14:11,
20:11, 20:19,
81:7, 81:8, 81:9,
103:2, 103:4,
141:5, 150:8,
203:10, 213:1
talks 102:15
target 9:3, 32:3,
56:13, 62:8,
72:14, 85:15,
121:23, 146:24
targeted 29:10,
72:18, 85:20
targeting 56:6,
75:20, 212:22
targets 31:14,
72:20, 72:21,
178:9
task 8:23, 205:20
Taylor 2:35, 240:7
team 15:4, 21:7,
155:15
technical 19:8,
94:25, 95:13,
118:4, 183:1
technically 234:1,
234:3
tee 214:6
telephone 193:22
telephonic 6:7,
197:7
telephonically 194:5
tells 88:11, 132:3,
149:15
ten 20:15, 21:3,
21:24, 24:12,
25:17, 26:25,
55:12, 137:19,
143:16, 153:21,
156:9, 156:10,
156:17, 171:6,
173:16, 174:24,
175:5, 187:15,
208:24
ten-minute 153:1
ten. 230:3
tend 142:20
tends 45:6
Tennessee 120:15
tens 21:3, 85:10,

85:13
tentatively 61:9
term 103:22
terminate 229:14
termination 116:7
terrible 141:21
terribly 137:10
territorial 163:2
territory 163:11
tested 208:4
testify 83:17
testing 200:3
text 46:9
texting 6:23
textual 102:3,
112:14, 112:21
thanks 238:21
themselves 20:13,
21:17, 28:2,
29:15, 63:18,
73:3, 86:25,
94:20, 100:15,
188:22, 196:20,
202:21, 204:3,
204:4
theories 128:7,
135:13, 136:3,
136:4, 143:1,
149:16, 173:6,
173:12, 173:14,
173:25, 174:15,
178:8, 179:8
theory 28:18, 31:8,
36:8, 36:9, 45:15,
55:4, 58:16,
62:23, 64:16,
97:1, 101:11,
128:15, 133:3,
134:15, 135:12,
146:18
there'll 187:15
thereafter 154:7,
236:7, 238:10
therein 117:21
thereof 227:15
They'll 49:22,
100:15, 226:20
They've 10:19,
28:13, 29:23,
31:24, 36:9,

36:10, 38:8, 39:4,
40:5, 54:7, 62:8,
86:16, 119:4,
125:19, 127:16,
134:19, 136:3,
136:25, 143:16,
143:17, 149:17,
167:25, 168:22,
199:18, 217:7
thicket 209:22
thin 221:2
thinking 20:24,
48:11, 92:11
thinks 28:25, 130:7,
155:3, 157:1
Third 9:1, 23:9,
28:3, 30:7, 31:1,
36:20, 36:25,
37:15, 37:17,
37:18, 37:25,
43:12, 47:21,
88:17, 106:11,
135:1, 148:7,
155:6, 159:19,
160:25, 169:3,
172:6, 179:1,
193:18, 193:21,
207:21, 237:6
third-party 38:4,
58:5, 112:3,
114:13, 207:11
Thomas 3:44, 4:28
thoroughly 202:13
though 19:13, 27:25,
86:10, 111:23,
174:24
thoughts 172:10
thousand 45:2,
45:18, 75:6,
75:14, 75:19,
75:20, 205:13
thousands 21:4,
78:9, 85:10,
85:14, 182:13
threats 85:13
three 25:11, 27:12,
27:17, 27:20,
27:21, 47:18,
59:7, 61:2, 61:23,
67:18, 72:8,

72:10, 95:7, 122:15, 131:19, 146:6, 164:25, 172:7, 180:20, 182:2, 186:9, 188:22, 205:13, 205:15, 207:10, 219:18, 223:25, 226:24, 227:10, 228:20 three. 165:9, 228:12 threshold 59:25, 88:2, 126:10, 126:11, 126:15, 211:16, 211:19, 215:17 throw 46:21, 190:15 thrust 138:1 thumbed 45:17 tick 177:25 time. 227:16 timeframe 100:17 timely 79:25, 84:7, 157:7 timetable 19:15, 179:7, 224:18, 238:13 timetables 183:11, 213:7 timing 25:6, 67:25, 89:18, 167:24, 180:5, 180:6, 193:20 Title 1:8, 1:24, 2:5, 52:25, 90:23, 123:6, 123:12, 159:20, 162:23, 169:15, 192:12, 192:16, 196:17, 206:22 together 70:7, 74:25, 103:13, 185:24, 227:20, 239:3 toll 41:21, 56:17, 78:7 tolled 85:8, 201:5 Tom 50:11, 115:12, 117:3 tomorrow 154:4,	155:25 took 36:13, 57:24, 129:10, 186:7, 207:23, 222:17 top 55:12, 102:23, 109:24, 133:24, 139:6, 187:23, 219:17 topic 121:2, 133:7 tort 131:10, 131:12, 131:22 toss 135:7, 135:13, 149:16 total 24:10, 26:23, 75:6, 85:9, 167:21, 180:2, 208:23 totally 14:9, 41:16, 84:22, 93:22, 171:13, 177:9, 190:20 touch 24:1, 222:20 towards 12:10 trace 79:20 track 8:11, 129:23, 165:1, 210:8 traction 121:4 trade 123:22 Tradewinds 118:21 traditional 125:23 tranches 31:16 trans 114:15 transaction 9:23, 147:12, 218:12 transactional 207:16 transactions 140:23, 170:25 Transcript 4:48, 240:4 transcription 240:5 transfer 107:25, 108:6, 114:14, 114:15, 128:10, 128:11, 130:8, 130:10, 130:20, 130:23, 130:25, 131:4, 131:5, 131:18, 145:24, 152:8 transferee 114:13	transferees 112:3 transferred 205:22 transfers 112:4, 130:11, 130:13, 140:15, 140:17, 140:22 transformation 9:3 transmission 9:23 transmit 23:23, 193:15 transmitted 23:21 transparent 44:19 trauma 231:11 travel 166:21 travels 239:4 Treasure 54:3 treated 206:15 treatment 12:3, 28:11, 29:12 tremendous 70:6, 141:19, 141:20, 191:19 trial 202:20, 202:22, 205:5, 205:7, 208:3, 216:14, 216:16 tried 61:11, 216:12 triggered 224:25 trillion 20:11, 20:14, 20:15 trip 59:24 trots 129:14 True 43:9, 135:4, 143:24, 217:25, 240:5 Trump 13:8 Trust 118:24, 118:25, 144:12, 164:13, 213:25 trustees 117:16, 237:12 truthful 134:21 try 32:4, 85:25, 97:24, 125:15, 140:21, 143:7, 175:1, 185:20, 200:23, 209:12, 215:7, 218:17, 229:14 trying 12:17, 14:16,
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

15:13, 21:5,	190:21	133:4
22:22, 28:11,	Uhland 3:20	underwriters 88:17,
36:6, 44:6, 45:3,	ultimate 48:8, 59:9,	96:1, 96:24,
46:23, 55:8, 55:9,	78:5, 80:2, 177:3	99:16, 109:17,
55:15, 57:18,	ultimately 9:9,	110:5, 128:6,
58:2, 60:12,	49:15, 73:11,	129:15, 129:19,
62:10, 62:20,	73:25, 79:20,	132:9, 132:11,
106:5, 187:1,	115:4, 129:10,	133:6, 135:2,
201:6, 201:11,	164:11, 206:24	135:10, 135:15,
217:12	unavoidable 83:16	135:21, 136:19,
ttention 84:6	unavoidably 122:7	136:22
Tuesday 96:8, 129:23	unchallenged 29:13	underwriting 135:4,
turn 7:19, 9:4,	unconstitutional	135:6
30:23, 63:14,	49:20, 235:25	undisputed 202:19
101:1, 105:14,	uncontested 19:6	undoubtedly 33:19
118:17, 179:22	uncontroversial	undue 66:19
turnaround 10:11	16:21	unfair 63:15, 67:7
turned 6:15, 6:19	undecided 209:8,	unfortunate 38:15
Turning 12:19,	224:22	Unfortunately 25:16,
159:16, 161:3,	underlies 77:12	25:25, 67:6
170:16, 213:9	underlying 28:18,	union 10:13
turns 190:23	69:18, 70:21,	unions 10:8, 10:17,
twice 25:15	73:25, 90:8,	120:14, 120:16,
two-page 174:19	127:17, 131:10,	120:25, 123:22
two-phase 187:20	132:9, 132:17,	unique 43:3, 75:6,
two-year 82:12	159:22	80:14, 235:18,
two. 42:2, 167:23	undermine 142:12	236:21
type 11:6, 15:23,	undermines 169:25	uniquely 112:24
148:4, 148:6,	Underpinning 196:23	United 1:1, 2:36,
183:11, 196:17,	underscore 185:11	13:1, 13:7, 13:8,
224:22, 235:11	underscoring 134:2	178:12, 240:6
types 31:12, 107:12,	understanding	universe 157:5,
122:8, 122:9,	130:11, 131:20,	223:20, 223:21
149:20, 165:1,	133:21, 157:21,	unjust 128:9
173:25, 200:11	225:24	unjustifiable 162:21
typically 125:21,	understandings 23:8	unjustifiably 161:16
134:3, 199:16	understands 60:12	unknown 77:10
	understated 10:11	unlawful 45:13
	Understood 14:1,	Unless 6:16, 77:20,
	40:18, 57:1,	90:10, 104:2,
< U >	102:19, 162:3,	115:9, 121:11,
UCC 36:18, 55:9,	166:8, 218:14,	123:12, 148:13,
60:19, 74:25,	226:7	148:22, 152:22,
85:13, 85:22,		191:16, 218:10
86:24, 87:8,	undertake 153:18	Unlike 112:24,
113:5, 117:8,	undertaken 15:4,	162:25, 220:14
117:14, 118:3,	75:22, 188:25	unlikely 132:16,
119:6, 119:16,	undertaking 131:1	220:5, 222:9,
120:2, 125:18,	underwriter 106:15,	224:5
125:24, 145:11,	106:25, 132:22,	unlimited 191:3,
160:13, 183:15,	132:25, 133:3,	

203:13
unnamed 91:8
unnoticed 35:25,
38:17
unpersuasive 159:23
unquote 168:19
unreasonable 164:7
unrecoverable 203:7
unresolved 211:20
unripe 29:24, 30:2,
30:11, 30:19,
37:2, 43:23,
43:25, 56:12
unsealed 153:7
unsealing 153:9,
154:3, 155:13,
238:12
Unsecured 3:14,
21:7, 123:21,
139:24, 152:20,
158:18, 158:23,
170:24, 189:5,
206:15, 235:14
unspecified 52:11
unsued 77:10
unsure 45:22
until 36:14, 51:9,
53:9, 62:3, 65:1,
67:2, 154:17,
171:20, 174:7,
176:19, 208:18,
225:1
untiring 238:23
unusual 29:2, 29:3,
186:25
unworkable 196:18
up-to-date 8:6
update 19:23, 22:5
updated 8:8, 119:7
updating 8:4
UPR 8:5, 8:9
upset 162:11
urge 43:19, 177:1
Urgent 7:7, 7:18,
66:3, 71:17,
118:11, 234:13
Urquhart 42:13
usable 150:17
useful 179:14, 195:7
user 181:1

users 194:7
uses 103:21, 103:22
using 6:16, 14:17,
100:5, 166:10,
180:23, 181:3,
183:1, 193:5
utmost 70:4

< V >
v. 2:25, 208:20,
235:22
vacated 221:6
vacation 54:11,
54:12, 54:14,
77:22
vague 232:16
vaguely 172:7
Valdes 4:17
valid 35:8, 59:12,
172:12, 172:14,
172:16, 172:18,
180:23
validity 35:4,
48:18, 49:11,
49:12, 77:25,
90:8, 141:1,
183:16, 183:24,
184:6, 196:11,
215:24, 219:24
valuable 94:17
value 43:8, 74:18,
80:17, 94:23,
112:4, 113:4,
115:3, 115:4,
132:2, 136:6,
155:3, 196:13
valve 229:23
vanilla 48:5
vanish 221:2
variety 75:1, 88:20,
141:13, 141:25
various 7:10, 10:24,
11:10, 11:18,
12:9, 33:23,
36:20, 36:21,
40:8, 45:17, 57:5,
59:3, 67:10,
74:17, 127:21,
205:14, 235:5

vast 81:22
vehicle 64:3, 79:7,
197:1
vehicles 61:6
vendor 187:3
vendors 75:6, 75:20,
76:3, 76:4, 187:2
vengeance 94:4
verge 206:21
version 166:4,
226:19, 230:19,
234:9, 238:8
versions 164:25
versus 37:9, 39:4,
131:9, 139:14,
147:5, 184:23,
213:25
VI 210:1, 210:6,
210:22, 223:23
via 193:25
viability 113:1,
142:13
viable 47:1
vibration 6:18
vice 181:23, 181:24,
193:2
victim 29:18
video 238:19
view 39:23, 100:2,
110:4, 112:21,
113:3, 135:17,
140:1, 224:4
views 45:7
vigorously 204:4,
204:9, 204:15,
204:20
vintage 42:16,
42:17, 45:12,
45:13, 46:7, 50:20
violates 169:3
violation 189:9
virtual 35:17, 64:15
virtually 79:9
vis-a-vis 109:19
visibility 113:2
vitality 151:20
vitiate 209:20
vociferously 33:24,
138:23
voice 63:20, 192:24

volume 181:12
volumes 143:22
voluntarily 64:8
volunteer 148:23
vote 184:22, 190:15
voting 69:6

< W >

wait 34:13, 35:6,
92:9
waiting 56:4
waived 138:15,
146:7, 146:8
waiver 146:3, 146:4
waiving 130:2
Walker 240:12,
240:13
Wang 195:13, 195:18
wanted 14:1, 14:19,
19:22, 20:1,
20:18, 36:10,
53:19, 113:23,
141:4, 153:20,
157:19, 210:20,
214:6, 227:11,
229:20, 232:1,
232:25, 233:13,
233:20, 234:3
wants 41:25, 45:8,
45:23, 56:22,
70:22, 70:24,
92:14, 95:19,
97:12, 155:6,
157:5, 189:22,
217:23, 223:9,
232:3
warehouses 206:1,
207:18
warns 162:7
warrant 164:7,
182:24, 237:11
warranted 77:6
warrantees 132:12
warranting 79:14
waste 80:15, 122:4
wasting 133:23
water 207:19
ways 27:22, 37:5,
63:17, 138:5,

141:3
wayside 134:25
weather 201:20
Wednesday 16:2,
105:4, 105:25,
231:14
week 7:10, 7:17,
20:8, 67:17,
68:12, 69:3,
69:24, 69:25,
70:1, 70:7, 70:12,
70:19, 70:25,
71:2, 78:18,
118:10, 127:25,
154:3, 154:9,
155:15, 155:25,
157:23, 158:3,
225:12
weeks 8:15, 21:13,
22:4, 61:18,
61:24, 67:18,
67:19, 185:16,
186:3
weigh 189:22
Weil 18:10, 53:15,
65:23, 121:15,
121:18
Welcome 6:5, 33:13,
88:8, 121:8
Westlaw 161:22,
162:6
whatever 20:24,
29:16, 35:23,
49:22, 57:9, 80:8,
114:25, 123:9,
126:16, 133:22,
134:13, 134:18,
134:21, 143:1,
144:12, 154:21,
155:3, 155:7
whatsoever 30:10,
67:3, 214:5
Whenever 218:2,
220:24
whereas 226:24
whereby 235:1
wherewithal 134:9
whiff 55:25
whipsaw 15:5, 15:6
whisper 55:25

whistles 80:2
whit 55:24
White 151:15, 215:4
whole 72:16, 72:21,
77:12, 80:1,
89:17, 90:7,
114:24, 135:21,
148:6, 218:12
wholly 11:15
whom 114:8, 123:23,
201:23
widely 188:20,
189:10
wiggle 63:13
willing 32:18, 56:6,
110:16, 212:19,
214:11
win 216:21
windfall 27:24,
59:13
window 101:6
wines 54:4
winner 37:22
winnowing 191:19
wish 47:8, 50:9,
87:13, 180:11,
233:4
wishes 44:23,
116:11, 117:25,
122:9, 122:23
wishing 80:22
within 16:1, 19:17,
20:8, 21:13, 22:3,
75:3, 88:24,
91:13, 100:17,
101:12, 104:2,
111:10, 112:15,
113:15, 137:22,
162:3, 174:23,
175:8, 237:14
Without 38:16, 80:1,
87:4, 87:9, 90:1,
91:14, 102:11,
104:13, 115:6,
117:8, 125:25,
179:5, 217:11,
218:1
withstanding 57:22,
80:5, 134:8,
134:10, 134:11,

177:25, 209:25, 211:1 WITNESSES 5:3, 201:20, 201:23 Wolf 4:13, 51:15, 51:16, 51:18, 51:19, 53:13 wonderful 14:16 Word 45:25, 71:16, 79:19, 93:25, 137:23, 142:24, 230:22, 238:8 words 37:3, 104:7, 106:4, 122:6, 133:23 work 9:2, 15:13, 16:25, 17:19, 18:25, 19:2, 22:6, 22:16, 59:17, 74:17, 75:8, 75:22, 77:15, 88:16, 88:19, 96:17, 105:7, 133:20, 136:7, 136:15, 142:5, 158:3, 164:4, 223:9, 223:15, 224:10, 225:9, 225:15, 226:10, 238:23 work-arounds 222:24, 222:25 workable 22:2, 23:9 worked 21:25, 74:25 workers 10:21 working 20:21, 21:7, 158:13 works 21:6, 107:2, 215:6 world 156:1, 198:23 Worry 135:25, 223:3 worst 127:18 worth 20:12, 74:10, 89:2, 132:17, 155:7, 156:7 wound 84:1 wow 136:22 write 82:10 written 17:16, 190:7, 205:7	wrote 130:11 < X > XI 169:15 < Y > year 8:13, 8:14, 12:20, 66:21, 74:11, 83:8, 83:11, 108:1, 108:12, 148:15, 172:3 years 21:24, 27:13, 32:2, 33:4, 64:23, 93:21, 197:24, 205:13, 205:17, 216:5 Yesterday 13:1, 17:12, 25:10, 26:1, 151:18 yield 121:11 yourself 223:14 < Z > Zakia 4:10, 214:21, 214:22, 214:24, 215:3, 215:4, 217:14, 218:1, 218:7, 218:14, 219:4, 220:3 zero 32:11 zip 166:4
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------